By Mr. VOIGT: A bill (H. R. 5875) granting a pension to Edward Kirchen; to the Committee on Pensions.

Also, a bill (H. R. 5876) granting a pension to Edward Frank; to the Committee on Pensions.

Also, a bill (H. R. 5877) granting an increase of pension to George W. Brasure; to the Committee on Pensions.

Also, a bill (H. R. 5878) granting an increase of pension to Daniel Smith; to the Committee on Pensions.

Also, a bill (H. R. 5879) granting a pension to Catherine Bishop; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5880) granting a pension to Irene Sullivan Kehrmeyer; to the Committee on Pensions.

Also, a bill (H. R. 5881) granting a pension to Oscar Neumeister; to the Committee on Pensions.

By Mr. WALSH: A bill (H. R. 5882) granting an increase of pension to Mary J. Beard; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

486. By Mr. CULLEN: Petition of the Sisterhood of the Progressive Synagogue, against the expenditure involving war; to the Committee on Expenditures in the War Department.

487. By Mr. DARROW: Resolutions of the Women's Auxiliary, William P. Roche Post, No. 21, the American Legion; the Women's Auxiliary, James J. Barry Post, No. 83; and the Louis Howard Fielding Post, No. 41, Philadelphia, Pa., in behalf of legislation for the relief of disabled soldiers; to the Committee on Ways and Means.

488. By Mr. FUNK: Petition of the Bloomington (Ill.) Automobile Dealers' Association and McLean County Automobile Club, protesting against further burdening of the industry with new tax program which demands doubling of war tax, placing 50 cents per horsepower tax on automobiles and 2 cents per gallon tax on gasoline, which would mean increased tax burden of $290,000,000 annually and would offer such sales resistance that progress of the automobile industry would be seriously retarded; to the Committee on Ways and Means.

489. By Mr. GALLIVAN: Petition of the George Park Custis Council, American Association for the Recognition of the Irish Republic, by William P. Costello, 11 Chelmsford Street, Dorchester, Mass., protesting against the treatment of the people in Ireland by the British Government and urging the recognition of the Irish republic by the United States Government; to the Committee on Foreign Affairs.

490. By Mr. GARRETT of Tennessee: Petition of citizens of Alton Park, Tenn., protesting against the passage of the sales tax law, etc.; to the Committee on Ways and Means.

491. By Mr. GILLETT: Petition of the Unity Center of New Thought, Springfield, Mass., against the present naval bill; also large standing Army; to the Committee on Naval Affairs.

492. By the SPEAKER (by request): Petition of Mrs. R. J. Wondra and numerous other citizens of Massachusetts, favoring recognition of Ireland; to the Committee on Foreign Affairs.

493. By Mr. GRIEST: Petition of Chester L. Deichler and others, urging the adoption by Congress of the resolution providing the enforcement of the marriage and divorce laws; to the Committee on the Judiciary.

494. Also, petition of S. H. Kitch and others, urging the enactment of legislation protecting Sunday in the District of Columbia from commercialism; to the Committee on the District of Columbia.

495. By Mr. KISSEL: Petition of I. G. Jennings, Glass Container Association, New York City, opposing the passage of H. R. 4981; to the Committee on Agriculture.

496. By Mr. MACGREGOR: Petition of Nicholas Trojanosky and others, regarding the case of East Galicia; to the Committee on Foreign Affairs.

497. By Mr. MORGAN: Petition of the Lemert Post, No. 71, Grand Army of the Republic, Felix R. Robertson, commander, 35 Boner Street, Newark, Ohio, asking minimum pensions of $72 per month for every surviving Civil War soldier and a minimum pension of $50 per month for Civil War widows; to the Committee on Invalid Pensions.

498. By Mr. MORIN: Petition of the Emory Brotherhood Bible Class, Emory Methodist Episcopal Church, A. B. Brown, secretary, of Pittsburgh, Pa., urging all honorable means be used to prevent the change or nullification of the Volstead Act; to the Committee on the Judiciary.

499. By Mr. NEWTON of Minnesota: Petition of sundry citizens of Minneapolis, urging the Congress of the United States to take the necessary action toward recognition of the republic of Ireland; to the Committee on Foreign Affairs.

500. Also, resolution of the Minnesota State Young Men's Christian Association, on behalf of disabled soldiers, sailors, and marines; to the Committee on Interstate and Foreign Commerce.

501. Also, petition of Mrs. Sophie Kenyon on behalf of sundry citizens of Minneapolis, Minn., opposing passage of Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

502. By Mr. RAKER: Resolution of the Northern California Hotel Association, indorsing the McFadden gold excise bill and urging its passage; to the Committee on Ways and Means. Letter from Lillie Archer, chairman United Spanish War Veterans' Auxiliary, indorsing Senate bill 4596, to pension soldiers, sailors, and nurses of the War with Spain and their dependents; to the Committee on Pensions. Letter from F. E. Booth Co., of San Francisco, Calif., urging a high protective tariff to protect the California fish-oil industry; to the Committee on Ways and Means.

503. By Mr. SINCLAIR: Petition of the Brotherhood of Locomotive Engineers, Minot, N. Dak., protesting against the sales tax; to the Committee on Ways and Means.

504. By Mr. SNYDER: Petition of Kinkaid Division 150, Order of Railway Conductors, Utica, N. Y., against the repeal of the excess-profit tax; also the substitute therefore of the sales tax; to the Committee on Ways and Means.

505. By Mr. TEMPLE: Petition of the Glass Bottle Blowers' Association No. 55, McDonald, Pa., against the enactment of a sales tax; to the Committee on Ways and Means.

506. By Mr. TINKHAM: Petition of the Congregation Shara Tfilo, Roxbury, Mass., protesting on restriction of immigration, etc.; to the Committee on Immigration and Naturalization.

507. Also, petition of the New England Evangelical Association, convening at Lowell, Mass., urging the passage of the Smith-Towner bill; to the Committee on Education.

508. Also, petition of the Mid-City Citizens' Association of Boston, Mass., urging the passage of House bill 2249; to the Committee on the District of Columbia.

509. Also, petition of the convention of the Diocesan House, Boston, Mass., urging disarmament; to the Committee on Foreign Affairs.

510. By Mr. THOMPSON: Petition of the Edward C. Smart Post, No. 223, American Legion, Hicksville, Ohio, urging appropriate legislation for the relief of disabled soldiers; to the Committee on Interstate and Foreign Commerce.

511. By Mr. YATES: Petition of John H. More, Chicago, Ill., urging the early passage of House bill 28, providing for the payment of certain longevity claims to United States Army officers; to the Committee on the Judiciary.

SENATE.

FRIDAY, *May 6, 1921.*

(Legislative day of Wednesday, May 4, 1921.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harrison	Moses	Simmons
Ball	Heflin	Myers	Smoot
Broussard	Hitchcock	Nelson	Spencer
Bursum	Johnson	New	Stanfield
Calder	Jones, Wash.	Nicholson	Stanley
Capper	Kellogg	Norbeck	Sterling
Caraway	Kendrick	Norris	Sutherland
Culberson	Kenyon	Oddie	Swanson
Cummins	Keyes	Overman	Townsend
Curtis	King	Penrose	Trammell
Dillingham	Knox	Phipps	Underwood
Fernald	Ladd	Pittman	Wadsworth
Fletcher	La Follette	Poindexter	Walsh, Mass.
France	Lenroot	Pomerene	Walsh, Mont.
Gerry	McCormick	Ransdell	Warren
Glass	McCumber	Reed	Watson, Ind.
Gooding	McKellar	Robinson	Williams
Hale	McKinley	Sheppard	Willis
Harreld	McLean	Shields	
Harris	McNary	Shortridge	

Mr. CURTIS. I wish to announce that the Senator from Kentucky [Mr. ERNST] is absent on account of illness in his family.

The PRESIDENT pro tempore. Seventy-eight Senators have answered to their names. A quorum is present.

LOANS TO FOREIGN GOVERNMENTS.

Mr. NORRIS. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

I ask after it is read that it be ordered printed and referred to the Committee on Finance.

The amendment was read, ordered to be printed, and referred to the Committee on Finance, as follows:

Add a new section, as follows:

"SEC. 705. The Secretary of the Treasury is hereby directed to collect the interest due on the various loans made by the Government of the United States to foreign Governments during the war, and said sum so collected, together with all other interest payments on said loans subsequently collected, are hereby set aside as a separate fund, and the same are hereby appropriated for the purpose of carrying out the provisions of this act."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 2376) to further amend section 858 of the Revised Statutes of the United States, in which it requested the concurrence of the Senate.

The message also announced that the House had passed with an amendment the bill (S. 1084) to provide a national budget system and an independent audit of Government accounts, and for other purposes, requested a conference with the Senate on the bill and amendment, and that Mr. GOOD, Mr. CAMPBELL of Kansas, Mr. MADDEN, Mr. BYRNS of Tennessee, and Mr. GARNER were appointed managers of the conference on the part of the House.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 4075) to limit the immigration of aliens into the United States; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JOHNSON of Washington, Mr. SIEGEL, Mr. TAYLOR of Tennessee, Mr. SABATH, and Mr. RAKER were appointed managers of the conference on the part of the House.

CHANGE OF REFERENCE.

Mr. McKELLAR. Mr. President, on April 12 I introduced a bill (S. 327) to amend an act entitled "An act relating to navigation of vessels, bills of lading, and to certain obligations, duties, and rights in connection with the carriage of property," approved February 13, 1893, which was referred to the Committee on Interstate Commerce. It should have been referred to the Committee on Commerce. I ask that the proper reference be made.

The PRESIDENT pro tempore. Without objection, the Committee on Interstate Commerce will be discharged from the further consideration of the bill and it will be referred to the Committee on Commerce.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented concurrent resolutions adopted by the Legislature of the State of Michigan, which were referred as indicated below—

To the Committee on Interstate Commerce:

House concurrent resolution 7, requesting Congress to repeal the Esch-Cummins Act.

Whereas the so-called Esch-Cummins Act, enacted by Congress at the last regular session, places an unjust burden of taxation and transportation charges upon the people of the State of Michigan.

Resolved by the house of representatives (the senate concurring), That we earnestly and urgently petition the Congress of the United States to repeal the Esch-Cummins Act.

Resolved, That copies of this resolution be mailed by the clerk of the house of representatives and the secretary of the senate to the United States Senators for Michigan and to the Michigan Members of the National House of Representatives.

House concurrent resolution 8, memorializing Congress to restore to the States control of intrastate railroads.

Whereas the Congress of the United States has, by the Interstate commerce act as amended by the transportation act of 1920, attempted to control the capital securities of railroad corporations organized under State sovereignty whose lines are built wholly within the State, thereby depriving the State of its control thereof and indirectly placing under the control of the Interstate Commerce Commission all matters of improvements, extensions, betterments, abandonment and discontinuance of railroad lines and facilities, and has attempted to deprive the State of its control over capital securities of corporations created under its laws; of its control over extensions, betterments, abandonments, and discontinuances of railroad lines wholly within the State; of its control of train service wholly within the State; of its power over police regulations, grade separations, safety appliances, and sanitary terminals; and has established rates for intrastate commerce, and the Interstate Commerce Commission has assumed to set aside State freight and passenger rates for intrastate traffic, and has sought to deprive shippers and travelers of the right to complain of the confiscation of their property by the extortion pursuant to the orders of the Interstate Commerce Commission of rates and fares "substantially and unreasonably in excess of a fair return upon the value of the railway property held for and used in the service of transportation"; and such action upon the part of the Congress of the United States, as construed by the Interstate Commerce Commission, has crippled manufacturing industries, destroyed the value of farms and of farm products, placed an unreasonable burden upon the public, enabled the railroads to pay extortionate and unreasonable costs of operation, crippled transportation, and impaired the general welfare of the people: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Legislature of the State of Michigan urge upon all Members of the Congress of the United States, and particularly the Members thereof representing the State of Michigan, the amendment of the interstate commerce act as amended by the transportation act of 1920 so as to restore to the States the control of the capital securities of all railroad corporations created under the sovereignty of the States and operating railroads wholly within the territorial limits thereof; the control by the States of intrastate rates over intrastate traffic; and the authority of the States to compel service by railroads in the transportation of persons and property on the basis of a fair return upon the fair value of the used and useful property of the railroad company.

To the Committee on Commerce:

House concurrent resolution 20, memorializing Congress to amend the La Follette Act so as to alleviate burdens now carried by Great Lakes shipping.

Be it resolved by the House of Representatives of the State of Michigan (the Senate concurring), That the existing laws of the United States governing the operation of vessels upon the Great Lakes and connecting waters are unreasonable to an extent that makes their continued operation a grievous burden and in many cases an impossibility. The conditions on the Great Lakes are vastly different from those on the high seas; runs are comparatively short and steamers are seldom out of sight of land, and then only for a comparatively short time. The laws in question give vessels too little authority in times of danger; vessels plying on short runs are unnecessarily required to operate under the three-watch system; the operating season is too short, unnecessary men are required, thus adding to the expense and forcing the already high passenger and freight rates to a still higher and almost prohibitive level. These severe and inelastic regulations are totally unnecessary upon the Great Lakes. Neither necessity nor safety has counseled them. They have well-nigh paralyzed the passenger traffic and made the freight traffic an insupportable burden to the public. In view of these facts the Congress of the United States is respectfully requested to so amend and modify the La Follette Act, so called, as to alleviate these restrictive and burdensome conditions, and to do so as quickly and speedily as possible: And be it further

Resolved, That a copy of these resolutions be transmitted by the clerk of the house of representatives to each of the Senators and Representatives from this State in the Congress of the United States, and they are hereby respectfully requested to use their utmost endeavors to secure the amendments to the said law.

Mr. TOWNSEND also presented petitions of sundry citizens of Grand Rapids; Evans Swanson Post, No. 123, American Legion, of Kent City; auxiliary of Carl O. Weaver Post, No. 194, American Legion, of Petoskey; Patrick Leo Hanlon Post, No. 55, American Legion, of Albion; Benton Harbor Post, No. 105, American Legion, of Benton Harbor; Knights of Columbus, of Kalamazoo; and William Regan Post, No. 127, American Legion, of Marine City, all in the State of Michigan, praying for the enactment of legislation providing adequate relief for disabled ex-service men, which were referred to the Committee on Finance.

He also presented a memorial of Richter Beverage Co., of Escanaba, Mich., remonstrating against the enactment of legislation imposing a 50 per cent higher tax on cereal beverages, which was referred to the Committee on Finance.

Mr. CAPPER presented resolutions of the Women's Auxiliary, Hobson Langdon Post, No. 38, American Legion, of Burlington; Lincoln Post, No. 165, American Legion, of Lincoln; Chamber of Commerce of La rence; Argonne Post, No. 180, American Legion, of Great Bend, all in the State of Kansas, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which were referred to the Committee on Finance.

He also presented resolutions of Wells Creek Local, No. 1611, Farmers Union, of Belvue; Local No. 138, International Brotherhood of Blacksmiths and Helpers, of Newton; and Division No. 300, Order Railway Conductors, of Dodge City, all in the State of Kansas, protesting against the enactment of legislation repealing the excess-profits tax and substituting therefor a sales or turnover tax, which were referred to the Committee on Finance.

Mr. MYERS presented a petition of Ronan Lodge, No. 131, Ancient Free and Accepted Masons, of Ronan, Mont., praying for the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

REPORTS OF COMMITTEE ON PUBLIC LANDS AND SURVEYS.

Mr. SMOOT, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 594) for the relief of certain ex-service men whose rights to make entries on the North Platte irrigation project, Nebraska-Wyoming, were defeated by intervening claims, reported it without amendment and submitted a report (No. 36) thereon.

He also, from the same committee, to which was referred the bill (S. 809) to give preference right of employment on construction work on United States reclamation projects, and pref-

erence right of entry on the public lands, to honorably discharged soldiers, sailors, and marines, reported it with amendments, and submitted a report (No. 37) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 1624) to relieve Congress from adjudication of private claims against the Government; to the Committee on Claims.

By Mr. JONES of Washington:

A bill (S. 1625) granting a pension to Isola Foster; and

A bill (S. 1626) granting an increase of pension to M. Cecelia Allen; to the Committee on Pensions.

By Mr. KELLOGG (by request):

A bill (S. 1627) to regulate the operation of and to encourage the development of radio communication in the United States; and

A bill (S. 1628) to regulate radio communication and to foster its development; to the Committee on Interstate Commerce.

By Mr. SHIELDS:

A bill (S. 1629) for the relief of Nathaniel F. Cheairs; to the Committee on Claims.

A bill (S. 1630) to provide for the erection of a public building at Knoxville, Knox County, Tenn.; to the Committee on Public Buildings and Grounds.

A bill (S. 1631) authorizing the Secretary of War to donate to the State of Tennessee two brass cannons, with carriages;

A bill (S. 1632) for the relief of Charles M. Gourley; and

A bill (S. 1633) to provide for the preparation and report to Congress by the Chief of Engineers of the Army, under the direction and through the Secretary of War, of a preliminary plan for a system of improved national highways, and to provide for the payment of the expenses of said report; to the Committee on Military Affairs.

A bill (S. 1634) granting a pension to Tide Owens;

A bill (S. 1635) granting an increase of pension to Harvey Day;

A bill (S. 1636) granting a pension to Robert L. Zell;

A bill (S. 1637) granting a pension to John H. Smith; and

A bill (S. 1638) granting an increase of pension to William R. Miller; to the Committee on Pensions.

A bill (S. 1639) to amend an act approved March 4, 1915, abolishing the jurisdiction of the Court of Claims in certain cases involving claims against the United States for property destroyed or appropriated by the Federal Army during the Civil War; and

A bill (S. 1640) to amend section 162 of the act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911; to the Committee on the Judiciary.

A bill (S. 1641) for the relief of the trustees of Hobson Methodist Church, of Davidson County, Tenn.;

A bill (S. 1642) for the relief of the estate of Eli Pettyjohn;

A bill (S. 1643) for the relief of the Tennessee Deaf and Dumb School, of Knoxville, Tenn.;

A bill (S. 1644) for the relief of Alice Evelyn Mabry Hazen, Lawrence C. Mabry, Herbert S. Mabry, Churchwell Mabry, and William Deaderick; and

A bill (S. 1645) for the relief of the city of Knoxville, Knox County, Tenn.; to the Committee on Claims.

By Mr. FERNALD:

A joint resolution (S. J. Res. 52) authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to employees of the United States Department of Agriculture who died in the war with Germany; to the Committee on Public Buildings and Grounds.

AMENDMENTS TO EMERGENCY TARIFF BILL.

Mr. NEW submitted an amendment intended to be proposed by him to House bill 2435, the emergency tariff bill, which was read, ordered to lie on the table and to be printed in the RECORD, as follows:

Add to page 18, after line 24, a new subdivision, as follows:

"(d) If it is established to the satisfaction of the appraising officers, under regulations established by the Secretary, that the foreign market value of airplanes, or airplane motors, parts, and accessories therefor, is wholly or partly based, not upon cost of production or ordinary trade conditions of supply and demand, but is based upon unusual excess stocks procured or accumulated through artificial or abnormal conditions, then the foreign market value of such airplanes, or airplane motors, parts, or accessories, for the purposes of this section shall not be less than the cost of production."

Mr. JONES of New Mexico submitted an amendment intended to be proposed by him to House bill 2435, the emergency tariff bill, which was ordered to lie on the table and to be printed in the RECORD, as follows:

On page 3, after line 11, insert the following:

"Hides of cattle, raw or uncured, whether dry, salted, or pickled, 15 per cent ad valorem: *Provided*, That upon all leather exported, made from imported hides, there shall be allowed a drawback equal to the amount of duty paid on such hides, to be paid under such regulations as the Secretary of the Treasury may prescribe."

NITROGEN AND NITROGENOUS MATERIALS.

Mr. SHIELDS submitted the following resolution (S. Res. 69), which was referred to the Committee on Printing:

Resolved, That 1,500 copies of the report of the Secretary of Agriculture concerning ammonia, nitrogen, and nitrogenous materials manufactured, imported, and used in the United States, transmitted to the Senate on April 8, 1918, in pursuance of Senate resolution 137 of the first session of the Sixty-fifth Congress, be printed for the use of the Senate.

ADDITIONAL CLERK FOR DISTRICT OF COLUMBIA COMMITTEE.

Mr. BALL submitted the following resolution (S. Res. 68), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia be, and it is hereby, authorized to employ an additional clerk at the rate of $1,600 per annum, to be paid out of the miscellaneous items of the contingent fund of the Senate, during the first session of the Sixty-seventh Congress.

HOUSE BILL REFERRED.

The bill (H. R. 2376) to further amend section 858 of the Revised Statutes of the United States was read twice by its title and referred to the Committee on the Judiciary.

REMOVAL OF SOLDIER DEAD FROM FRANCE.

Mr. WALSH of Massachusetts. Mr. President, I have here a letter from an ex-service man and brother of one of the dead heroes of the World War, in which he asks me to have inserted in the RECORD some resolutions recently adopted by a post of Veterans of Foreign Wars, in reference to the removal of the bodies of dead soldiers from France. I ask unanimous consent to have the letter and resolutions entered in the RECORD.

The VICE PRESIDENT. Without objection, it will be so ordered.

The letter and resolutions are as follows:

NEW YORK, *May 5, 1921.*

HON. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SENATOR WALSH: My attention has been called to an extract from the CONGRESSIONAL RECORD of April 26, 1921, in which appear a letter from the Rev. Dr. Harlan and the letters of Owen Wister and Thomas Nelson Page protesting the removal of our soldier dead from France.

My brother was Maj. James A. McKenna, jr., of the One hundred and sixty-fifth Infantry (the old Sixty-ninth New York). He was killed at the Battle of the Ourcq July 28, 1918. I personally buried him and know that it was his wish that he be put to final rest in this his own country, for whose cause he gladly gave the last full measure of devotion.

The post of the Veterans of Foreign Wars, which has taken his name, has passed the inclosed resolution.

Would you see to it that it be published in the CONGRESSIONAL RECORD? I know it would give great comfort to many mothers, who, after all, are the real heroes, for while we fought they watched and waited and suffered.

Sincerely,

WM. F. MCKENNA.

Resolutions.

At a regular meeting of the Major James A. McKenna, jr., Post, 199, Veterans of Foreign Wars, held in Brooklyn, N. Y., April 29, 1921, the letters of Owen Wister and Thomas Nelson Page, as printed in the New York Times of April 15, 1921, were read, whereupon the following resolution was unanimously adopted:

"Whereas upon the entry of the United States of America into the World War this Government promised to its people that the remains of such of its citizens who might make the supreme sacrifice upon the altar of its cause in a foreign land would be returned for final interment in this country upon the request of the next of kin; and

"Whereas our Government is fulfilling this promise in an eminently satisfactory manner; the utmost tenderness, respect, and devotion being shown to our heroic dead; and

"Whereas the right of the next of kin transcends any considerations or claims upon the part of strangers; and

"Whereas the exercise of that right is peculiarly a private and sacred privilege: It is

"*Resolved*, That the aforementioned letters have produced and have caused only additional sorrow and pain, where it should be the desire of all true Americans to give comfort and solace. They unjustly reflect upon the integrity of our Government. They are un-American and barbaric; it is further

"*Resolved*, That the circulation of any propaganda which has for its object, even though indirectly, the retarding of our Government's sacred work in fulfilling its promise to bring home the soldier dead is unreservedly condemned."

EMERGENCY TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue; to regulate commerce with foreign countries; to prevent the dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes.

Mr. FLETCHER. Mr. President, I desire to have printed in the RECORD the telegram which I send to the desk.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

QUINCY, FLA., *May 5, 1921.*

Senator DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.:

At a meeting our association was instructed to wire urging you reconsider your position with reference to tobacco schedule in the emergency tariff measure. Position of our farmers is that farmers far outnumber manufacturers in Florida, and it is decidedly more worthy to assist the farming end of the tobacco business. By investigation you will find very little wrapper tobacco imported from Cuba at high duty used by Florida manufacturers. We grow in Florida 3,000,000 pounds wrapper tobacco. Farmers are at row's end unless tariff is raised on imported tobacco. Sumatra importers are bringing in double the quantity heretofore imported, and with favorable rates of exchange prevailing can destroy domestic growing business. Please do not oppose tobacco schedule.

FLORIDA AND GEORGIA TOBACCO GROWERS' ASSOCIATION.

Thursday, May 5, 1921.

Mr. SIMMONS. Mr. President, it may be worth while in connection with the discussion of the bill as it now presents itself to the Senate to review very briefly the course of the legislation.

Something near six months ago the House began the preparation of a measure which it was claimed was intended and would relieve the farmers of the country from the competition of alleged excessive importations of like or similar foreign commodities to those produced in this country. At that time a very different situation existed from that which exists to-day, as I propose to show, or attempt to show, before I finish.

At that time it was claimed by the proponents of this bill that agricultural products were selling at prices but little, if any, above the cost of production, and that this situation had been brought about by excessive foreign importations of these products, and that a tariff prohibiting or restricting further importations would restore agricultural prices to a fair level, if not to the high level which obtained during and immediately after the war. It was declared that it was distinctively a farmers' emergency bill; that the recognition it gave to manufactured products was incidental and inconsequential. This was the contention when the bill first came to the Senate during the last regular session of the Sixty-sixth Congress.

Almost immediately after the bill was reported to the Senate from the House opposition on the Republican side of this Chamber of a serious character developed, more especially from the representatives of the great industrial centers of the East and North, who, while feeling sure that many of the duties imposed would not affect at all, or, if at all, not to any appreciable extent, prices, they greatly feared that certain of these duties, such as those imposed upon sugar and meats, would tend greatly to increase the cost of living.

The House had demanded that the bill be passed without amendment. It was authoritatively stated that if amended it would not be accepted by that body and legislation would fail. In these conditions it was for a time doubtful whether the bill would be favorably acted upon by the Senate, and it probably would not have been but for the fact the Finance Committee decided to disregard the injunction of the House and to amend it, and did so amend it as to make it less objectionable to the opposition element of the majority party, but still by no means satisfactory.

This feeling of opposition did not grow less as the discussion proceeded. While the Republican vote was cast almost solidly for the bill, that vote, it is well known, did not really reflect the sentiment of many members of the majority, and it is generally believed it would not have received enough votes in this Chamber to have passed if it had not been for the fact that it was known beyond peradventure that if it passed it would be vetoed by the President.

I charged in closing the debate on the bill that this was the situation, and I challenged denial. I went further than that, and I then stated that in my judgment, if the President vetoed the bill, it would not be reintroduced and passed in its then form at the extra session and sent to President Harding for his signature.

Mr. President, I have no idea that this bill would be here to-day, embracing substantially everything that was in the bill that passed at the last session, but for the amendments that have been added to it and which materially change its character. Indeed, it was announced from the White House and proclaimed to the country after a conference between President Harding and Republican representatives of the Finance and Ways and Means Committees that the farmers' emergency tariff bill would be dropped, and undoubtedly that course would have been pursued if a way had not been devised to use this, the so-called farmers' emergency bill, as a convenient vehicle to tack on by way of amendment provisions which would convert it in effect into a protective measure of general application more efficacious in many instances than would be the Payne-Aldrich tariff rates in restraining and excluding competing importations of all kinds.

From the Republican standpoint this scheme of using the alleged farmers' emergency bill as a vehicle to extend, in effect, the vaunted benefits of protection to the industrial products of the country until a general revision of the tariff could be accomplished was an inspiration and it quickly resulted in bringing about a change in attitude with respect to this measure. The antidumping and the foreign currency valuation provisions of the House bill were intended to accomplish this purpose, and will accomplish it, and it is to get the benefit of these two amendments that this bill is now before the Congress. Undoubtedly it was expected that the House dumping bill provision at the time it was agreed upon and when it was written into this bill would impose heavy penalties at the customhouse upon importations of all kinds coming from a large section of the world, which penalties it was thought would be sufficient to restrain and in many cases prohibit these importations. The information which has since been obtained through inquiries made by the Senate Finance Committee tending to show that this will not be the case was not then known, and the facts which were developed with respect to dumping at the hearings before the Senate committee was a surprise to the proponents as well as the opponents of this bill. If this provision of the House bill would accomplish the purpose in this respect it was thought it would and intended it should accomplish it would undoubtedly operate as a substantial and far-reaching protective tax upon importations not only now upon the dutiable list but some now upon the free list.

The foreign currency valuation provision as originally agreed upon and written into the House bill, if enacted into law, would operate as an embargo upon importations from a large part of the world. It was the decision to add these two provisions to the original farmers' emergency tariff bill that brought about the change in the purpose of the administration and the Congress with respect to this measure. But for these two provisions the farmers' emergency tariff bill would have been dropped, as at one time it was announced it would be, and we should have heard nothing more about it. This bill is before Congress now because it is no longer chiefly a farmers' emergency tariff bill, but because it is, in potential effect, a protective-tariff measure, which in many cases will operate more effectively to that end, as I have before said, than would the high and repudiated rates of the Payne-Aldrich bill. With these amendments changing, as I have stated, the scope and character of the measure, the opposition to the bill on the part of certain powerful elements on the Republican side of the Chamber disappeared. It is true the Finance Committee have changed the foreign currency valuation clause of the House bill by substituting for it a new rule for the valuation of imports, but I believe a careful investigation will show and that results will show, if this bill as amended by the Senate becomes a law, that this change will be broader in its scope and be more universal in its application than the House provision, and will probably be as effective in increasing the taxes to be paid at the customhouse upon foreign merchandise.

Mr. President, the bill is back here for the reasons that I have assigned. The bill will be passed. It will get the solid vote of the other side of the Chamber, not because of its so-called farmers' emergency features but because of these added provisions, which will make it, in effect, a tariff measure of wide application and imposing a high rate of taxation.

Now, Mr. President, let us examine for a few minutes the provisions of the bill as it came from the House. I am going to discuss the House dumping and valuation provisions as well as the substitute, because I know perfectly well that the House is very much wedded to the bill as it passed that body. I know that its Members are resentful, if not incensed, because the Senate has modified it in material particulars; these provisions will probably reduce somewhat the changes. When this measure gets into conference I am apprehensive that the Senate conferees will be forced—if they do not voluntarily do so—to compromise these differences and accept with modifications the vicious currency scheme of the House bill. Therefore I feel impelled to discuss at some length the House bill. That is the bill that the Republican Party framed in pursuance of the agreement to revive this bill after it had been agreed to scrap it, and that bill showed they want not protection, but an embargo upon merchandise of certain kinds and from certain countries.

Let me refer first to the antidumping provision of the House bill. That, Mr. President, is one of the most remarkable propo-

sitions ever presented to Congress for enactment into law. Under that provision every article of foreign merchandise brought into this country, without an exception, without any question being raised as to whether it was brought in to be dumped, without reference to whether such importation would injure an American industry or tend to prevent the establishment of an American industry, without any qualifications as to the purpose and the effect of these importations, would become the subject of investigation by the appraisers to ascertain whether there was any element of dumping.

It was not then known as it is now known that practically all imports to this country are now sold in our markets at prices far above the home market price of the country of origin. That was not known or believed until it was developed in the hearings of the Senate Finance Committee by the testimony of certain appraisers and inspectors and members of the Court of Customs Appeals who appeared before that committee. They did not know that when they passed this dumping provision. The country had been led to believe otherwise.

The House bill was based and written upon the theory that dumping was rampant in this country. Undoubtedly, following the war, there was more or less dumping here by reason of the fact that we had ourselves dumped an enormous quantity of war supplies then in Europe upon the allied countries of Europe at almost give-away prices, and the fact that each of the warring countries, having no further use for the vast war accumulations, had sold those upon the markets of their respective countries and elsewhere where they could at whatever they could get for them, that produced a condition which led to dumping on this country for a time.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from North Dakota?

Mr. SIMMONS. I do.

Mr. McCUMBER. The Senator has just said that immediately following the war there undoubtedly was dumping into this country. Now, as much as I believe in an antidumping law, I do not think that is the fact. I should like to have the Senator state some things that were dumped into this country at figures lower than the cost of production, using the term "dumping" as we understand it—that is, as referring to products sold in this country for a less price than the producing cost in the country of production.

I think the public possibly have a little different idea as to what dumping is from legislators and lawyers who study that question. They think if a thing is put into this country at a very cheap rate it is dumping it, if it is below what they can produce it for themselves; but, speaking from the technical standpoint of what we understand by "dumping," I do not know of anything that has been dumped into this country by these foreign countries, even of their war supplies, for less than the cost of production. I admit that we sold things in France for 20 per cent or less of what it cost us to produce them, but I do not know of anything that was sold in the United States in return for less than its cost.

Mr. POMERENE. Mr. President, I am not sure that I have any reliable knowledge on the subject, but judging from my correspondence one of the complaints, for instance, is that automobiles and automobile supplies of American manufacture, which were sold by the War Department in France, are brought over here, and the automobile people say they were dumped in here at such extremely low prices that it is interfering with their business. I was wondering whether that was the class of articles the Senator had in mind.

Mr. SIMMONS. Mr. President, I was speaking then with reference to the war supplies that were sold by this Government in Europe, and by the different European Governments to their own citizens, for a purely nominal sum, and of course the amount of such goods being far in excess of the requirements of those countries, they were anxious to dispose of them at any prices they could get, and while I am not prepared to offer any specific case, I am advised that many of these surplus war supplies were exported and sold here at what might be called salvage prices. The Senator from Ohio mentions automobiles. He might have included airplanes, because I heard talk here of the necessity of special legislation to protect the airplane industry from utter annihilation by the dumping of war planes.

Mr. McCUMBER. Mr. President, I do not like to interrupt the Senator, but we generally get some information by these cross-questions, and I have yielded to the Senator, so that I think he will be willing to yield to me, to clear up this situation.

Mr. SIMMONS. I am glad to yield to the Senator from North Dakota.

Mr. McCUMBER. I know it was claimed last year, and is still claimed, that there is danger of other countries dumping into this country the old airplanes that were used in the late war, and there may be something in it. I can not speak with authority, but I know those who were manufacturing are desperately in earnest in the belief that great danger will follow. I think the case the Senator from Ohio [Mr. POMERENE] referred to was probably in regard to the importation of some trucks which the French had brought into this country. I understand that about 70 of the trucks which we sold to France for from 10 to 20 per cent of their cost were reshipped by France and sold on our western coast. But I do not understand that even in that case they were sold at a figure below the cost of production in the foreign country.

Mr. POMERENE. Mr. President, the information I had came from automobile sources, and they complained generally of the imminent dumping of automobiles and automobile supplies. I am not prepared to say that it may or may not have been trucks; I do not know. I also recall that I have had some very earnest representations made with regard to airplanes, and so on, by those who are interested in the manufacture of them.

Mr. McCUMBER. Mr. President, I am asking my questions just for information.

Mr. WATSON of Indiana. I would like to ask the Senator from Ohio how extensive those imports were?

Mr. POMERENE. I do not think any statement was made to me as to that in any of the letters I have received. They simply referred to that as one of the ominous clouds appearing in the East which confronted the industries. I of course took the representations with a good many grains of allowance, as I do all of this legislation advocated by men inspired by a purely selfish interest.

Mr. WATSON of Indiana. Before the Finance Committee the testimony was that there might be some of this impending, but it was not extensive, here and there an isolated instance, but not sufficient for us to base legislative action on.

Mr. SIMMONS. Is the Senator from Indiana talking about the recent hearings?

Mr. WATSON of Indiana. Yes; our recent hearings.

Mr. SIMMONS. But we were talking about what happened with reference to the war supplies that were dumped.

Mr. WATSON of Indiana. Precisely; that is what I was talking about, the automobiles and trucks coming back to this country from France, after having been sold there by our Government, and sent back here for sale. There is very little of that being done.

Mr. SMOOT. Mr. President, no doubt every Senator received letters similar to those received by the Senator from Ohio from the automobile makers in the State from which he comes. I received similar letters, and I had an investigation made by the Treasury Department. I think the basis of the complaint was that there were 70-odd trucks shipped and delivered at Los Angeles, and they were put on the market there at a lower price than that at which the same trucks made to-day in the United States could be sold.

They thought that was the beginning of a flood of trucks and automobiles into this country, but up to the present time there have been no automobiles brought in, unless it was after the report I got from the Treasury Department was submitted to me. But there were those 70 trucks which were imported into this country, trucks of American make, and they were sold to France at a very low price. However, I know of nothing else that has come into this country under similar circumstances.

I may add, however, that I am told there are about 500 airplanes which are being held up at the ports of the United States, not allowed to enter the United States on account of a patent dispute, and until that dispute has been decided they can not enter the United States. I do not know how long it will take.

Mr. POMERENE. What provision of law is there which prevents their entry?

Mr. SMOOT. It is a question of the infringement of a patent.

Mr. POMERENE. Am I to understand that because there may be an infringement case pending the article which is the subject of that infringement may not be imported?

Mr. SMOOT. That is as I have been told, Mr. President.

Mr. POMERENE. I would be delighted to see the provision of law under which it is done. I have never come in contact with it.

Mr. SIMMONS. Mr. President, I think the interruption is going too far.

Mr. SMOOT. I was just about to close. I was going to say to the Senator that that only came to my attention the other day.

Mr. SIMMONS. If the Republican leaders of the House thought there was no dumping in this country, if they discredited as without justification and as even absurd, as Sen-

ators now seem to regard these complaints of dumping, why, I ask, did the House leaders insert this antidumping provision in the House bill and upon what ground is it proposed to retain it in the Senate substitute, which only amends it in respect to its administrative features?

If there is no dumping now and was none, when all the markets of the belligerent countries of Europe were congested by the vast accumulations of war supplies dumped upon them at sacrifice prices far in excess of domestic requirements, why was this antidumping provision inserted by the House? Why was it retained in the Senate substitute? And should it not be stricken out of the bill now?

Mr. SMOOT. Mr. President, I hardly know how to answer the question.

Mr. SIMMONS. I did not desire to embarrass the Senator from Utah, and I would not have addressed my question directly to Senators over there if I had thought it was going to embarrass them.

Mr. SMOOT. It is not answering that is embarrassing. It is rather embarrassing to undertake to answer a question that has been put in two forms. But I will assure the Senator it is not going to embarrass me in the least. The Senator asks why we struck the dumping provision out when the House put it in.

Mr. SIMMONS. I did not ask that question. You did not strike it out. I asked why you did not strike it out.

Mr. McCUMBER. We did not insert it, because it was already there.

Mr. SMOOT. The Senator asked why the antidumping provision was put in the bill if there was no dumping.

Mr. SIMMONS. Yes; I would like to know.

Mr. SMOOT. Mr. President, it will be some time before the regular tariff bill is passed, and this country and some of the countries of Europe are getting back to normal, and the goods the Senator has referred to as sold to those other countries at such low prices have been consumed, to a large extent; they are getting to work in the old countries, and the fact that they have not been dumping in the past is no reason for supposing that they will not dump in the future, and with the depreciated currency in all of the countries of the world, when conditions get back to normal and the people begin to produce goods, as Germany is producing to-day, dumping could be carried on to a great extent in this country, and without an antidumping provision it will be carried on, and that is why we put that clause in there.

Mr. WATSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Indiana?

Mr. SIMMONS. Yes; I yield to the Senator and any other Senator on that side. I want information.

Mr. WATSON of Indiana. My understanding is that the Ways and Means Committee incorporated the antidumping clause, not because of dumping that was going on at the time of the passage of this act through the House——

Mr. SIMMONS. You should not put it in an emergency bill, then.

Mr. WATSON of Indiana. Merely as an insurance policy, a guaranty against future dumping, something that might happen.

Mr. SIMMONS. If that is so, I want to ask the Senator this question——

Mr. WATSON of Indiana. Will not the Senator permit me to finish?

Mr. SIMMONS. I thought the Senator was through.

Mr. WATSON of Indiana. When the bill came over to our committee in the Senate, speaking only for myself, I would have been entirely willing to have stricken out the antidumping feature, but upon investigation on the House side which satisfied me, I found out they would not stand for it. Therefore, inasmuch as it had to be put in or have this legislation fail, we thought we would perfect it, and therefore we have changed it, and, I think, very greatly bettered it. Does the Senator think so?

Mr. SIMMONS. I think you have bettered the dumping feature, undoubtedly, in respect to its administrative features, but otherwise it is substantially the same.

Then we have this situation, Mr. President, at a time when it is admitted there is no dumping now, was none before the war, and has been none since, although post-war conditions were more favorable to dumping than present conditions or any conditions likely to arise during the life of this emergency bill, as a matter of insurance against the future; as the Senator from Indiana put it, it is deemed expedient in a six months' emergency bill to insert and retain an antidumping clause instead of waiting for the general tariff revision, now in process of framing, when you can provide for a possible future condition. An emergency tariff ought to address itself to conditions which exist at the time and not to conditions which may possibly, but not probably, arise in the future.

Mr. McCUMBER. Mr. President——

Mr. SIMMONS. If that is the only reason for putting this provision in an emergency tariff bill it is a reason which shows your bad faith. I yield to the Senator from North Dakota.

Mr. McCUMBER. Does not the Senator believe, irrespective of whether there is any dumping going on now, that the permanent tariff bill at least should contain an antidumping provision?

Mr. SIMMONS. Oh, Mr. President——

Mr. McCUMBER. That is a fair question.

Mr. SIMMONS. Oh, perhaps, with conditions and qualifications in a permanent tariff bill, but only then to provide against a well-grounded expectation based on facts and conditions, not mere speculation as to possibilities. If the statements made by the Senator are accepted there is no ground for any apprehension.

Mr. McCUMBER. I think the Senator is mistaken when he says that even the House Members believed at the time that dumping was going on. The Senator is in error in that respect. But let me say that the Senator is in error if he thinks the House put the antidumping provision in because they believed there was dumping at the present time. It reaches only to the future, and if it is put in a general tariff bill when there is no dumping going on to protect us against a future condition, while it may not be necessary in a temporary bill it certainly is not harmful.

Mr. SIMMONS. I have no doubt in the world that the House believed at the time that they passed it that there was a great deal of dumping. I believed it myself. I was of the opinion the members of the Finance Committee believed it was going on until they heard the statements of the customs officials.

Mr. McCUMBER. I for one did not believe it, and I have not believed for years that it was going on.

Mr. SMOOT. I think the Senator voted in the Finance Committee to report the dumping bill that I introduced in the Senate and which was on the calendar at the last session of Congress.

Mr. SIMMONS. No; the Senator is mistaken about that. I have not voted for your bills at all.

Mr. SMOOT. The antidumping bill that I have referred to the committee was approved in the committee, and I do not know of a vote against it, and it was then put on the calendar.

Mr. SIMMONS. Very frequently I have not voted in the committee. That is a very different thing.

Mr. SMOOT. It contained very different provisions with reference to dumping as amended by the Senate committee.

Mr. SIMMONS. The point, and the only point I am seeking to make now, is that when this was incorporated in the bill it was incorporated because it was believed it would materially advance the exactions that would be laid upon foreign imports into this country and would reach the free list and would be a great benefit to that class of our industries that had heretofore been the beneficiaries of tariff protection. A mere apprehension as to the future would not justify such legislation in an emergency bill.

Mr. WATSON of Indiana. Mr. President, if I recall correctly, as the so-called Underwood Tariff Act passed the House in 1913 and came to the Senate it contained an antidumping provision very much like that we have incorporated in the pending bill.

Mr. SIMMONS. No.

Mr. WATSON of Indiana. That is my recollection.

Mr. SIMMONS. No. The provision of that law, if the Senator will pardon me, was that where there was underselling going on on the part of foreign producers or exporters for the purpose and with the intent of injuring or destroying an American industry it should be penalized.

Mr. WATSON of Indiana. Let me ask the Senator if the basis of the provision is not the same in this instance, because here——

Mr. SIMMONS. No; the element of intent was involved in the other bill. The provision at that time was intended to cover just such a case as that of the dye industry. It was said that deliberately, purposely, and intentionally the German dye monopoly was pursuing a course with the purpose and the intent and with the certain effect of destroying the establishment of the dye business in this country.

Mr. McCUMBER. It had to be systematically followed.

Mr. WATSON of Indiana. I recall the provision very indistinctly, I will say to the Senator.

Mr. SIMMONS. The provision was to meet a case like that, where a foreign monopoly or a foreign industry was selling its products in this country, not for the purpose of profit, not in the ordinary course and way of business, but with a view to destroying an industry already established in the United States or so as to prevent the establishment of a business in the United States. That was entirely different from the situation as we find it in connection with this bill.

Mr. WATSON of Indiana. The basis of the pending antidumping provision is that the Secretary of the Treasury must find that the dumping, whatever the article may be or in whatever quantities it may come, is not necessarily for the purpose of destroying an American industry, but that it may destroy an American industry or is likely to destroy it or to prevent the establishment of an American industry.

Mr. SIMMONS. Yes. There is a provision of that kind in the antidumping clause of the pending bill, but the provision as to that in the act of 1916 is wholly different—that law is predicated on the intent and purpose of the exporter—the merchandise must have been brought in with the intent and purpose to destroy or injure an American industry, and so on.

The Senate committee provision is altogether different from the antidumping law of 1916. The Senate amendment simply provides that before the appraisers look for dumping the Secretary of the Treasury must have declared that importations were being brought into this country which were likely to injure an American industry or which would tend to prevent the establishment of an American industry. His finding is in no way conditioned on intent or purpose, while the intent and purpose is the predicate upon which action under the law of 1916 must be based.

Mr. HITCHCOCK. Mr. President, under this bill it is not even necessary that there should be in existence an American industry competing with the foreign product.

Mr. SIMMONS. Under the House provision, the Senator means?

Mr. HITCHCOCK. No; even under the provision as reported by the Senate committee.

Mr. SIMMONS. Oh, no; it is not necessary that the industry should be in existence. If importations are being brought in for the purpose of preventing the establishment of an industry, or of an industry that is likely to be established, the provision applies.

Mr. HITCHCOCK. Let me call the attention of the Senator to the following language of the provision as reported by the Senate committee:

> That whenever the Secretary of the Treasury, * * * after such investigation as he deems necessary, finds that an industry in the United States is being or is likely to be injured, or is prevented from being established——

Mr. SIMMONS. Exactly.

Mr. HITCHCOCK. So that, while we may not even have an industry of a given character, somebody may agree that importations of a certain commodity may prevent such an industry being established.

Mr. SIMMONS. That is true, but that differs from the House provision very broadly. The House did not require any finding of that sort; but, on the other hand, the House required that there should be an investigation by the appraisers of every importation that came into this country, with a view to ascertaining whether it came within the definition of dumping.

The Senate amendment just read authorizes an investigation into dumping charged in any case only and when and after the Secretary makes the findings required by the language the Senator has just read.

The provision in question would unquestionably lodge in the Secretary of the Treasury a very broad and sweeping discretion. If the Secretary's findings call for an inquiry the only effect would be that the appraisers would investigate with a view to ascertaining whether the imported merchandise in question was subject to the penalty imposed upon dumping. In other words, to make the matter entirely clear, the finding of the Secretary simply starts an investigation, that is all. The House bill did not require any finding. It arbitrarily directed the appraisers to look for dumping in every case though there was no complaint or suspicion of that practice. The Senate provision would limit these investigations to cases where the Secretary finds that there is probable cause to suspect or believe there is dumping, and that that dumping would likely result in the injury to an American industry, or in preventing the establishment of an American industry. His finding simply starts the investigation, but the finding of dumping would not exclude the merchandise from this market. It would simply result in the Government assessing against it the dumping tax.

Mr. SMOOT. The difference, the Senator means.

Mr. SIMMONS. Yes; the difference between the price charged by the exporter and the market price in the country of origin. That is right.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to make a suggestion, I think the criticism of the Secretary's investigation does not lie in the fact that as a result of his investigation he may discriminate by levying a duty, because in the end the fact must be found that the customary market value in the country of export is greater than the selling price on American soil. If this power is abused—and I do not say that it will be abused, but, of course, the Secretary will detail the power to subordinates—the danger would come, it seems to me, if there should be an attempt to play favorites in the matter. The opportunity is in the negative way. As I understand the bill there is no power to apply the dumping clause until the Secretary, through his agents, investigates the fair market value and the fact is ascertained that a condition exists where the sales in this country of a foreign product are below the customary sales at home. There is, however, no appeal from the Secretary's decision; there is no power to force him to act; and, of course, if there were discrimination it would give the opportunity to use that power exercised by the Secretary of the Treasury to apply the dumping clause in A's case and withhold it in B's case arbitrarily, because he did not proclaim that the idea of a fair market price had been violated.

I do not know whether I make myself clear to the Senator or not.

Mr. SIMMONS. I think the Senator does. The Senator, as I understand him, means that the Secretary might withhold the investigation in favor of one industry and order it against another industry.

Mr. UNDERWOOD. Undoubtedly. In other words, it gives that arbitrary power. I do not say it will be abused, but I think it puts it in the dangerous position that all laws do where you leave to the discretion of individuals the finding of a great fact, whether it is an economic fact or a moral fact.

Mr. McCUMBER. Mr. President, if the Senator from North Carolina will allow me——

Mr. SIMMONS. I yield.

Mr. McCUMBER. We are face to face, however, with the counterproposition. As the bill came over from the House it was necessary to investigate in every instance whether or not the facts constituted dumping, and in addition to that the House bill required a bond if there was even a suspicion on the part of the collector that the goods were being sold for export to this country for a less price than they were sold for consumption in the home country.

That was considered an enormous hardship upon the importers, and the importers naturally complained of that, and I suppose it is entirely satisfactory to them that the bill was so changed that we would not impose this enormous duty and require the bond unless there was some suspicion or some evidence to the effect that it was a case of dumping. I think the Senator would necessarily find that there was just as much danger of a subordinate making his own complaint in one instance in favor of the proposition and in another instance against it as there would be in the case of the Secretary. This provision is simply made so that we will not make an investigation of every one of the imports into the United States, and look for dumping, and impose a penalty, and cause delay, unless there is reasonable ground to believe that there is that danger. The power to determine that reasonable ground must be lodged somewhere, and it seemed that the proper place to lodge it was in the Secretary of the Treasury.

Mr. UNDERWOOD. I do not think the Senator is right about that. I realize that the determination must be lodged somewhere, but I do not think you have put your finger on the right place. I do not want to interrupt the Senator from North Carolina in his speech if he desires to go on now.

Mr. SIMMONS. No.

Mr. UNDERWOOD. If I am not disturbing the Senator, I will put this in.

Mr. SIMMONS. The Senator is not disturbing me at all.

Mr. UNDERWOOD. My experience in legislation is that where you can follow a track that has already been made, and you know how it works, it is safer to keep in the original track.

This dumping proposition is nothing new. Some eight years ago I spent some time in giving it study and thought; and although I am not as fresh on the matter now as I was at that time, at the time the present law was sent to the Senate it contained an antidumping clause relating to the tax value of

goods that were on the taxable list and not on the free list. This bill extends it to the free list, but the provision in the House bill as it came to the Senate eight years ago, to a large extent, followed the Canadian antidumping clause. That is an antidumping clause that has been tried for years, and we know what it can do. That has been in operation, and we know from practical experience what can be accomplished by it; and it may be just as well, if the Senator from North Carolina does not mind, to let me read that clause right here and have it in the RECORD.

I am reading from H. R. 3321, Sixty-third Congress, first session, a bill to reduce tariff duties, to provide revenue for the Government, and for other purposes, that passed the House on May 8, 1913, and came to the Senate. Of course, this provision was afterwards stricken out in conference; but on page 220 of that bill, under section R, the antidumping clause reads as follows:

That whenever articles are exported to the United States of a class or kind made or produced in the United States, if the export or actual selling price to an importer in the United States, or the price at which such goods are consigned is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States, there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned, and the said fair market value thereof for home consumption, provided that the said special duty shall not exceed 15 per cent ad valorem in any case, and that goods whereon the duties otherwise established are equal to 50 per cent ad valoren shall be exempt from such special duty.

"Export price" or "selling price" or "price at which such goods are consigned" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to the United States

Mr. WATSON of Indiana. Mr. President, is not that practically section 202 of this bill?

Mr. UNDERWOOD. Oh, no.

Mr. WATSON of Indiana. Substantially?

Mr. UNDERWOOD. Not substantially at all, except that your provision relates to dumping and this provision relates to dumping; but the machinery of the two provisions is entirely different.

In the first place, the machinery of your provision relates to every article which may come into the United States. You make it relate to those articles on the free list which, by your own legislation, you say there should be a tax on; but you say that for the benefit of the American people they should have them free of taxation, such as fertilizer and some classes of raw material. You also say, when you put them on the free list, that there is no danger from foreign competition; that your markets should be open to the world, and the domestic producer is in no danger from the importation of those articles. Yet, through a machinery set up by individuals, you can put that price, not only on the American consumer, but on industry, so as to hamper your industry in the future. I think it is most unwise to extend these provisions to the free list.

But that was not the proposition I intended to discuss. Under this provision and the Canadian dumping clause, which is the same, the man who is suffering from the fact that goods are taken into the country and threatening his business immediately complains, naturally. If he makes no complaint, there is no use bringing on the antidumping clause. But he is sure to be on guard. He will sound the alarm the minute he begins to feel that dumping is done, and then there is just one thing to be inaugurated, and that is for the collectors and the appraisers to find the fact as to whether the goods are being dumped here at prices below the normal, fair-value price in the home market, and that arbitrarily takes effect; that is the law. It is the law for all. But in your provision you do not make it the law for all. You put it in the power of one individual to withhold the law if he wants to or exercise the law if he wants to.

I am not charging that your Secretary of the Treasury will improperly use this law. Of course, he will not exercise his power under it personally; but I say you unnecessarily put into this bill a provision under which you leave the discretion, even where dumping takes place, to the arbitrary power of an individual, instead of putting in the law the conditions which shall govern as to whether the antidumping clause shall take effect or not.

I beg the pardon of the Senator from North Carolina for interjecting these remarks, but I thought it might be well to have this clause discussed in that connection.

Mr. SIMMONS. Mr. President, in the main I agree with the Senator from Alabama. The machinery set up by the House bill would not only entail enormous expense, requiring a multitude of officers, but it would be impossible of administration, because the necessary facts would not in many instances be accessible or ascertainable. On the other hand, while the Senate amendment is a great improvement on the House provision, it is subject to the criticism made by the Senator from Alabama as well as that made by other Senators to the lodgment of arbitrary power in an administrative officer who would ordinarily act in the premises through his subordinates. It would probably be better to simply confine the investigations to cases where complaint is made and based on verified statements showing a reasonably grounded opinion that dumping was being practiced in the particular case.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. I yield.

Mr. CUMMINS. If it will not disturb the Senator from North Carolina, there is one matter I would like to have him, or somebody, make clear to me. I am wondering whether the phrase, "fair value," in section 201, is the equivalent of the phrase "foreign-market value" as used in section 202, which provides:

That whenever the Secretary of the Treasury * * * after such investigation as he deems necessary, finds that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of a class or kind of foreign merchandise, and that merchandise of such class or kind is being sold or is likely to be sold in the United States or elsewhere at less than its fair value.

What does the term "fair value" mean as used in that section? Is it the fair value in the United States, or the fair value in some foreign country? I am moved to make this inquiry because when we come to section 202, which is the section under which the antidumping provision is to be enforced, and which follows the finding of the Secretary of the Treasury, we find that the additional tax can only be levied where the purchase price, or the exporter's sales price, is less than the foreign market value. I would like to know whether those two phrases were used synonymously, or whether they were used to express a difference between the application of section 201 and the application of section 202.

Mr. SIMMONS. My attention had never been directed to that language in the way in which the Senator now calls it to my attention. I would assume, however, that the construction which would necessarily be placed upon that, taken in connection with the rule which obtains in ascertaining whether a product is dumped in this country, would be that the phrase "fair value" used in this connection there had reference to the relation between foreign market value and the price charged by the exporter, because the investigation which the Secretary is to inaugurate as the result of that finding is for the purpose, not of ascertaining whether the value is fair as compared with the American price, but whether it is fair considered in connection with the price with which it is to be compared and considered in order to determine and decide the question of dumping. The purpose of inquiry which the finding inaugurates to determine is whether there is a dumping—and the American market value has nothing to do with that.

In ascertaining whether there is dumping, you have to consider the export price and the market price in the country of the origin of the product, and only those two things have to be considered. If the export price is less than the market price in the country of origin, then there is dumping; otherwise there is no dumping. So it would seem that you would have to interpret "fair price" with reference to that definition and the objective of the investigation.

Mr. SMOOT. It says "importation into the United States"; so it must refer to foreign goods.

Mr. CUMMINS. The Secretary of the Treasury must first act and find that a particular commodity is coming into this country at less than its fair value. What is the fair value?

Mr. SIMMONS. There is nothing in that section which defines "fair value." There is nothing anywhere in the bill which defines "fair value." The point I am making is that by construction that language would seem to refer to the value which enters into the determination of the question of whether there is dumping or no dumping.

Mr. CUMMINS. Then it ought to be "fair foreign-market value," or "foreign-market value."

Mr. SIMMONS. The question is whether the value is a fair one, determined by the price at which the article is exported to this country, as compared with the home-market price.

Mr. CUMMINS. What does the Senator from North Dakota say about that?

Mr. McCUMBER. If the Senator from North Carolina will allow me, I think when you use the words "fair value" it prac-

tically means the cost of production in the foreign country; that is, a fair cost.

For instance, for the purpose of taxation, outside of the antidumping clause, an article may be manufactured for $1. It may be sold in the foreign country for $2, and there is a good, big profit made upon it. Yet, that is the foreign sales value. But in the case of the antidumping provision, if we want to determine whether it is sold for less than a fair value, then we do not take as the basis the market price for which the thing is sold; but if the Secretary finds that it is really being sold for exportation at a price less than it really cost to produce it and still at a reasonable profit in the country of production, it would come under the antidumping provision; and there should be that clear distinction between the foreign market value for the purpose of levying your tariff and a fair value for determining whether or not an article is being dumped into this country for the purpose of destroying an industry.

Mr. CUMMINS. If you mean a fair value as determined by the cost of production in the country which produces it, with a fair profit added, I think you ought to say so. I do not think the fair value necessarily means the cost of production with a profit added. Oftentimes the fair value of an article may be much less than its cost of production or without regard to profit. It seems to me that, in order to enable the Secretary of the Treasury to perform the duty which he is charged with under this section, you ought to make his duty somewhat clearer than it now is.

Mr. SIMMONS. I agree with the Senator that the language needs definition. I had not noticed it. I think it is very obscure and should be clarified by amendment.

Mr. SMOOT. Under Title II, section 203, the rule is laid down for finding out the purchase price, and they follow that section in determining what the purchase price shall be.

Then, as the Senator from North Dakota said, in the antidumping provision all we can say is what is a fair price based upon the purchase price as laid down in the bill.

Mr. CUMMINS. In section 201 the term "fair price" is not used.

Mr. SMOOT. Yes; we say "fair value."

Mr. CUMMINS. Neither section 202 nor section 203 can be put in operation until the Secretary of the Treasury, under section 201, has performed his function. His function is to say whether a given commodity coming in is likely to come into this country at less than its fair value. Looking at it, not from the standpoint of a Treasury expert, because I do not know much about these things, but from the standpoint of a lawyer, I express the opinion that the Secretary of the Treasury would find it impossible without a good deal of legislative interpretation to determine what his duty is.

Mr. SMOOT. Under section 201 it is simply an investigation. The question of the foreign market value is to be determined when the special dumping duty is imposed, but in this investigation—and that is all there is to it, to see whether a special dumping duty is to be imposed—if such a special dumping duty is to be imposed, then we have to find out the foreign market value.

Mr. CUMMINS. Precisely. I have no objection to either section 202 or 203, but the duty of the Secretary of the Treasury under section 201 is something more than mere investigation. He must investigate and then issue an order. He publishes an order to the effect that a given commodity, naming it, or series of commodities, naming them, is or are coming into this country at less than a fair value. I should like to know where that fair value is to be ascertained and by what rules it is to be ascertained. I think it would not be difficult to do it.

Mr. SMOOT. I can only say that, taking a case just as it would come up if the bill were enacted into law, there might be some producer of a certain article in the United States complain that goods of a similar character that were being imported into this country were being imported at less than a fair value.

Mr. CUMMINS. Fair value ascertained in Great Britain or fair value ascertained in Germany or in France, or in what country, or in our own country?

Mr. SMOOT. In whatever country it came from.

Mr. CUMMINS. It does not say so.

Mr. SMOOT. But it must be, because the complaint would be that the goods from France or the goods from England or the goods from Germany that came in here were coming in at less than a fair value, and therefore the investigation is made, and section 201 authorizes that investigation.

In that investigation it is found from the testimony that is given that the goods came in at less than a fair value. Then, if that thing happens, immediately they commence to make an investigation as to what the foreign market value is, so as to impose the dumping duty.

Mr. CUMMINS. I understand; that is section 202.

Mr. SMOOT. Yes.

Mr. CUMMINS. But, as I repeat, section 201 has first to be complied with before section 202 can be operative. The only thing I have in mind is this: It seems to me quite possible that under section 201, with its somewhat, I think, inaccurate expression, the Secretary of the Treasury could raise the duties upon every article and commodity that comes into the United States, even though there is nothing like the dumping which we have ordinarily in mind when we speak of dumping.

Mr. SMOOT. Before that could be done there would have to be complaint and investigation made, and I do not think there is any Secretary of the Treasury or any appraiser in the Government service who would for a moment make such a decision after fair investigation and fair value had been established. But I will say to the Senator there are many goods that will be shipped into this country where we will know upon the face of them that there is not a fair value.

Mr. CUMMINS. I wish to reach those cases.

Mr. SMOOT. If we put in the fair market value, every investigation would lead the Secretary of the Treasury, as the law provides, to an investigation of the foreign market value. This is the only place where we say "fair value." Every other place in the bill it says foreign market value, and that is the reason we did not want to go to the foreign market to find that out. We can find it out here.

Mr. CUMMINS. Every place in the bill, so far as I am able to see, other than this section, where the words value or market price have been used, they have been carefully defined, so that really the work of application is made easy. This is the only place in which there is no definition, and the latitude, I venture to say, is very great.

Mr. SMOOT. I think it ought to be. I think in this particular case, where investigation is to be made, the Secretary of the Treasury ought to have latitude, because there are instances of goods coming in here which, upon examination of the goods and comparison with goods coming from other foreign countries, show that there is not a fair market value given. In such cases as that we would not have to go to the foreign country to make an investigation, but we would know upon the face of the situation that it was not a fair value, and we would then put the machinery in operation. After that, when the special dumping duty applies and the purchase price must be established, section 202 and section 203 go into minutest detail and we say whether it is the home price or American price or whether it is the foreign price and what constitutes the purchase price, either in the foreign country or in this country.

Mr. CUMMINS. I apologize to the Senator from North Caroline for interrupting him in this way.

Mr. SIMMONS. I have been very glad to yield to the Senator from Iowa. Undoubtedly the language used is obnoxious to the criticism the Senator makes. The only guide the Secretary would have in finding the fair price would be, as it appears to me, the objective of the investigation his findings would start, and as the result of that would be determined by whether the price charged by the exporter is below or above the market price in the country of exportation the standard would have to be the foreign market value.

[At this point Mr. SIMMONS yielded the floor for the day.]

Friday, May 6, 1921.

Mr. SIMMONS. Mr. President, the Senator from Iowa [Mr. CUMMINS] on yesterday, in the course of certain colloquies in interruptions made in my speech, called attention to the uncertainty of the phrase "fair value" as used in the antidumping provision of the bill in connection with the required findings of the Secretary of the Treasury antecedent to investigation to determine whether or not there was dumping. I stated then that I thought that language would have to be construed in connection with the context and the purpose of the inquiry, and that in that sense it would probably be construed to mean the "fair market price" in the country of exportation. While I think that is true as a legal proposition and is the construction that should be given to this language, I feel after reflection that in a matter of such importance the obscurity should be removed, if it can be done without handicap to the purpose in view by clarifying emendation.

Mr. President, I spent a great deal of time yesterday in discussing dumping. I did it deliberately and purposely. For months and months my patience has been, if not exhausted, severely tested and taxed by the never-ceasing cry of "Dumping!" "Dumping!" "Dumping!" I could hardly open my mail, morning or afternoon, without having to read letters from somebody telling me about some countries dumping in this country the character of goods they produce or in which they

deal. I could not undertake the reading of the House hearings on the tariff without having to wade through all sorts of long-drawn-out stories of the ruin threatened or being inflicted upon this and that industry by the wholesale dumping of like foreign goods into this country—stories about the Danes dumping butter into this country, Dutch dumping cheese into this country, France dumping olives, Egypt dumping cotton, China dumping peanuts, Germany dumping a part of almost everything she produces into this country, all to be sold at sacrifice cost prices, greatly to the injury of the complaining industry. The atmosphere of the Committee on Finance and of the Committee on Ways and Means, when hearing the testimony of these people who came here seeking special favors through tariff duties, reeked with the odor of dumping. The House committee wrote this bill and inserted this antidumping clause in it under the influence of the sentiment generated and nourished in that atmosphere. In all this and the other propaganda out of which this bill with this antidumping clause had inception and birth there was no suggestion of relatively high prices of imported merchandise; the talk was low prices and competition with goods produced by pauper and underpaid wages and offered here at starvation prices.

When the bill came to the Senate some of us ventured to suggest that this provision and the currency valuation clause would establish a system of customs taxes not only unequal in application and uncertain in amount, but in many cases exorbitantly high, resulting in injustice to the American consumer and the serious disturbance of our foreign trade.

Under these circumstances the Senate committee met, called experts, supposed by reason of official knowledge, observation, and experience to be informed as to the essential facts upon which these provisions were necessarily predicated, and as a result of their testimony, and possibly a change of policy resulting therefrom, when the bill gets into the Senate and is taken up for discussion the whole line of argument is changed and we are assured by the other side of this Chamber through its spokesman upon the Finance Committee that the provision is practically innocuous; that there is no dumping going on here now, and that there never has been any dumping here in the sense of the definition in the bill, and that the provision was inserted in the House bill and had been retained in the Senate substitute because of a fear or of possibility that the unexpected might happen and that what has not happened in the past may peradventure happen in the future.

Mr. President, it was this situation that moved me in my remarks on yesterday to endeavor to test out the facts and grounds of the attitude of the majority upon this provision. In view of the statement made by the Senator from North Dakota [Mr. MCCUMBER], in his opening speech of the day before, the apparent attitude of the other side of the Chamber with respect to this matter was somewhat confusing and I wanted to try out the thing. I wanted to get the facts. The people had undoubtedly been led to believe that there was a great amount of dumping going on in this country. The Senator from North Dakota [Mr. MCCUMBER] in his speech had said there was no dumping. I wanted to see what the other Republican Senators, especially those on the Finance Committee, had to say with respect to this provision of the bill. I wanted to present the dumping question in such a way that they would express themselves if the Senator from North Dakota did not reflect the real opinion of the other side of the Chamber with reference to this question.

Again, the Senator from North Dakota in his speech had confined himself largely to the situation with respect to Germany, and I wanted to find out if there was no dumping from Germany whether there was anyone on the majority side who claimed there was dumping here from anywhere else, so I asked yesterday if there was no dumping from Germany was there any from Great Britain or any other European country. I was solemnly assured by Senators on the other side that there was none. I inquired if it was claimed that there was dumping from any part of the world. I wanted no doubt about the record in respect to this matter. I wanted the record made clear and unmistakable. And so, Mr. President, when hereafter we hear these charges of dumping, when we hear these complaints of the people, we shall be able to say that it has been openly admitted by the party in power upon the floor of the Senate, in the face of the American people, that there is no dumping which the antidumping measure they will soon enact in response to the demand of the people for effective protection against dumping will reach and remedy.

Mr. President, I wanted also to find out why, since they claimed there was no dumping, the majority party had put this antidumping provision in the House bill it was proposed to keep after they discovered it was innocuous. The answer was that there may be dumping in the future, and if it does no good it will do no harm.

Again, I sought to learn why it was thought necessary or expedient under these circumstances to put this provision in a six months' emergency bill when a general and permanent measure was in preparation. To this definite question no answer was forthcoming or could be obtained. I took up a good deal of time yesterday in discussing these phases of the antidumping clause, and I think it was time well spent.

Let us consider briefly the several positions as developed in these discussions of the majority with respect to this antidumping provision of the bill.

Does the situation show an emergency? Surely it does not.

There is no emergency. First, because it is confessed there is no case where any foreign country is or has been selling us goods for less than the price charged in its own markets, and that is the kind of dumping defined in the bill and which is penalized—no other dumping comes within its provisions.

There is no emergency in this case because there is no dumping—just as there is no emergency in the case of the agricultural products embraced in the bill, because in the case of many of these products, such as corn, there are practically no imports and no amount of duty could affect the domestic price, because in cases where the importation, as in the case of peanuts and vegetable oils, the alleged influx claimed at the time this measure was first determined upon—if it then existed—has ceased, and importations in every such case have in recent months not increased as the proponents of the bill claimed, but on the contrary have rapidly and continuously decreased until to-day they are comparatively negligible. In other words, the assumption of facts upon which the necessity and emergency is predicated do not exist—in some cases never did exist—and in others if they ever existed have ceased to exist.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. HARRELD in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. SIMMONS. In just a moment. In the case of dumping, Mr. President, people who complained from one end of the country to the other came to the Congress and asked the Republican Party to help, and instead of giving them bread the Republican Party, as frankly admitted upon this floor, has given them a stone. The farmers throughout this country have come here complaining of the situation and asking relief from this Congress, and, as in the case of dumping, they offer them relief which is utterly ineffective to cure the evil. In the case of the farmer, as in the case of the complainant against dumping, the Republican Party has nothing to offer him except a stone.

Mr. HITCHCOCK. Mr. President, I would suggest a "gold brick" instead of a stone.

Mr. SIMMONS. That is more descriptive of what it is, far more descriptive, and I thank the Senator for the expression. I now yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I am examining the hearings before the Committee on Finance, and I find the testimony of Mr. Doherty at page 98, and I am wondering how the committee regarded Mr. Doherty's attitude and what value they placed upon his statements.

Mr. SIMMONS. My recollection is that Mr. Doherty gave about as illuminating and as clear and as full testimony as anybody who appeared before the committee. He is now engaged in some private business, but for 18 or 20 years, I think, he had been connected with the Customs Service.

Mr. FLETCHER. I find the following on page 98:

> Senator REED. Do you know of any instances where they are selling abroad cheaper than they are at home?
>
> Mr. DOHERTY. I do not. But on that point the gentleman will recall the testimony of one of the Government witnesses, Mr. Davis, who said there is no dumping at the present time. There could not be under present conditions. It reminds me very much of that chapter on Snakes in Ireland. There are no snakes in Ireland. In the matter of antidumping, there is no dumping going on now at all.

Then Senator SIMMONS asked him:

> Can you give the committee, from your investigations, any idea about how much these prices have increased over prewar prices, measured in percentage?

That is, the foreign price. Mr. Doherty answered:

> I do not know whether we have reduced these to percentages, gentlemen.
>
> Senator SIMMONS. Give them approximately.
>
> Mr. DOHERTY. Approximately, from 25 per cent up to 400 and 500 per cent in some instances. For example, these gloves that I have mentioned advanced from $2 to $3.68. That would be pretty near 80 per cent increase.

Then, on page 103, the following occurred:

Senator REED. As a matter of fact, you claim, then, that this bill, if it is passed, will operate distinctly in favor of Germany and Austria and those countries, or against them?

Mr. DOHERTY. It will close our markets to those countries. It will be an embargo, in effect, against the goods from Central European countries, from Poland, Austria, Jugoslavia, Germany, Rumania——

Senator SIMMONS. It applies only to countries where there has been a depreciation in the value of the currency?

Mr. DOHERTY. Yes.

That seems to bear directly on that question, both as to the increase of prices in foreign countries and also on the question of dumping.

Mr. SIMMONS. Mr. Doherty is right. Germany is selling her goods and merchandise in our markets for prices higher than she sold them to us before the war; so are most other foreign countries. Germany sells here in some cases 100 per cent higher than similar goods are sold in the German home market. There is no dumping in her case, because the bill defines dumping to be the selling in our own markets of foreign-made goods at less than goods of a similar character are habitually sold in the market of the country of production. So there is no technical dumping in the case of Germany, or possibly any other foreign country. We are probably the only country that dumps, according to that definition, and so dump habitually.

But it is not of technical dumping the people complain. As much harm may be done by selling only slightly above a low foreign market price as slightly below. What the people demanded was relief against either practice. This bill denies that relief. It provides against a condition which Senators say does not exist and refuses relief against a condition which the people claim does exist and which it would seem may be equally hurtful.

The Republican majority are apparently preparing to say to these complainants, "We did the best we could; we passed an antidumping law," just as they are preparing to say to the farmers, "We did our best; we put a duty on your products," though they know a duty will be futile in accomplishing what they ask, namely, to establish a remunerative price for his products.

The Senator from North Dakota [Mr. MCCUMBER] said if this antidumping clause would do no good it would do no harm. They may say the same thing about the duty this bill puts on corn and some other articles it includes which tariff duties can not possibly help. But is it true in either case that such fake remedies can do no harm? I think the practice to promote partisan purposes discredits legislation, shows its bad faith, and that can not be other than hurtful.

Is there any justification for this fear—this alleged apprehension—now practically admitted to be the only reason or excuse for retaining this provision penalizing a kind of technical dumping admitted not to exist at this time?

Let us see. The proponents of this provision claim that the reason there is no dumping now is because the bill defines dumping to be the selling of foreign goods by the exporter in this country at a price below the prevailing price in the country of production for home consumption and that the standard of prices in this country are and always have been higher than in any other country in the world. In these conditions naturally the foreign exporter wants to get the benefit of these higher prices and so places upon the goods sent to this country a higher price than he could get in the home market—and for that reason though he sell here below the American level he is not chargeable with dumping. But they say this situation may change, and because of their apprehension that it will or may they have retained and insist upon retaining this provision in the bill. Do Senators believe we are in danger of losing our primacy of maintaining the highest level of prices in the world? I do not believe it. Our prices, whether high or low, have always been relatively higher than those of other countries. They may fall here, but if so they will also fall elsewhere—the relative range will remain in our favor.

If our present higher prices cause the foreign exporter to invoice his goods to us at prices above those prevailing in his own country, he will by the same token continue to do the same thing as long as our prices remain relatively higher than those of his own country, and there will be no dumping.

I have already spoken too long upon the subject, but before I leave it I want to say just one thing more about it. Mr. President, the thing we condemn in this statute and penalize if done to us we ourselves have done and have long done systematically and habitually to every nation in the world. Indeed, our great and growing export trade has been built up through systematic dumping as a national policy; especially is this true with respect to our great organized and monopolized industries. We have, as we always have had and will continue to have, the highest standard of prices in America that obtains in the world. In these conditions it must be apparent we could not and can not successfully compete in the open markets of the world and sell our surplus there unless we are willing to sell below the American level. The price level of every country on the globe is below ours, and when we enter their markets in world competition we must come down to their price level or get out of the contest. That would in present conditions mean national disaster. I am not suggesting retaliation. I am simply suggesting the inexpediency and unwisdom, not to say foolhardiness, of the great dumper nation of the world denouncing and penalizing other nations for doing to us what we habitually, as a supposedly necessary business policy, have done and continue and must continue to do to them, and that for no reason except a vague and apparently ungrounded fear that at some time in the future dumping here, which it is admitted does not exist, may develop.

It is a course which, in my opinion, will inevitably make a bad impression abroad—which will be of doubtful good from a business standpoint and may, from an international standpoint, do positive harm, as well as subject us to the suspicion and charge of national uncharitableness and selfishness.

Mr. President, it may be that the dumping provision in this bill is innocuous. If it is innocuous, it ought to be stricken out, and if some real remedy is needed, a substitute ought to be offered which would cover the case, and not a bill which is so restricted by definition that it includes nothing.

But, however that may be, with reference to the dumping clause, the foreign currency valuation clause in the bill as it passed the House, and in the Senate amendment to that bill, is a provision which will operate to increase, and increase to a very large extent, the amount of taxes which the ultimate consumer in this country will have to pay upon all articles of merchandise on the dutiable list in one bill from certain countries of Europe, South America, and Asia, possibly; but in the other as to merchandise from any part of the globe.

Under the bill as it passed the House, Mr. President, we have a scheme of determining the value of foreign coin by legislative enactment. We arbitrarily fix that value which in effect, in its actual application, as to importations to this country, in many instances, notably in the case of Germany, will increase from three to four times the valuation basis upon which tariff duties are to be collected. Of course, Mr. President, there is no change in the present tariff duty; that is not necessary under this scheme. Under this scheme there is a different method of valuing foreign imports from that which obtains under the present law.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. SIMMONS. In just a moment. So that the present tariff rates in their entirety are retained as to everything not specially provided for in the tariff emergency provisions of this bill, but a different basis of valuing foreign goods for applying customs taxes is provided, namely, a legislative fixing of the gold value of the paper currency of a foreign country selling us merchandise and invoicing them at prices expressed in the currency of their country. This price is converted into gold not at the market exchange price but at this arbitrary legislative rate.

Now, I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I ask the Senator to give at some time a concrete illustration of how this valuation works out.

Mr. SIMMONS. I shall try to do that. Mr. President, that is the bill as it passed the House. Under this provision defining the basis of valuation and changing it, in answer to the question of the Senator from Massachusetts, it is fair to say that only those countries will be affected seriously by this provision of the bill as it passed the House whose currency is depreciated.

Mr. WALSH of Massachusetts. That means nearly all countries in Europe now.

Mr. SIMMONS. Nearly all countries of Europe and probably some other countries. In that respect the Senate committee amendment differs. The provision contained in the Senate committee amendment will have a broader application.

Mr. President, the bill as it passed the House does not change the method of valuation at the customhouse. It only defines the value of foreign currency converted into gold; foreign currency valuation will be converted on the basis of exchange rate fixed in the bill.

According to all the testimony, Germany is to-day importing goods to this country and selling them upon the American market, at prices estimated in gold on the conversion basis of 1.60 cents per mark, in excess of the prices at which she sold us

similar products before the war, and in many instances, according to the testimony of the witnesses, approximately as high as the prices that obtain in the American market for American goods. German goods which are coming in now pay on this basis of currency exchange on a higher valuation at the customhouse than the valuation on which they paid before the war. The amount of revenue this Government is getting from them under the present law is more than it was getting from them before the war under the present law.

Yet the House says that, in order to further restrict importations into this country hereafter, the German mark, for the purpose of determining the value of these German goods in the customhouse, shall be estimated at not less than one-third of the face value of the paper mark. Now, the face value of the paper mark is something over 23 cents; I forget the exact fraction. One-third of that would be the customhouse basis of calculation for the purpose of conversion under this House bill provision, so that hereafter in converting the marks into gold to ascertain the price on which German goods would be taxed, instead of calculating a mark as worth 1.6 cents, it would be calculated as worth about 7.5 cents, over three times as much as at present exchange rate. Automatically that would have the effect of greatly raising the valuation of the German goods for the purpose of customs taxation.

Mr. WALSH of Massachusetts. So that if an American purchaser invested a thousand gold dollars in German goods that had been imported to this country, those goods would be valued at over $3,000 for the purpose of taxation at the customhouse in New York.

Mr. SIMMONS. That is my understanding. The goods are invoiced in paper marks and converted into gold on the basis of 7 cents per mark instead of 1.60 per mark. Of course, that would not be so glaring in many other cases as it is in the case of Germany. Her currency is enormously depreciated. It is worth almost nothing at this time.

The House provision is an absolute legislative monstrosity. There is no explanation of its inclusion in the bill by that body except that they intended that this should be not a protective levy, but that it should operate as an absolute and complete embargo against importation of all products coming from countries having greatly depreciated currency. The Senate substitute is not so bad. It has a broader application, it is true, but it is not so bad. The Senate substitue eliminates the currency valuation provision as proposed by the House and substitutes for it a different method of valuation of foreign imports, as I have before explained.

Under the existing law the imports are valued at the customhouse for purposes of taxation at the price at which those goods are ordinarily sold in the markets of the country of origin. The testimony was that in many cases, especially goods from Germany, exporters and importers were selling here at from 25 to 100 per cent more than the home market price. The Senate substitute provides that for the purposes of levying duties upon imports from all countries the valuation shall hereafter be fixed either at the market price of the merchandise in the country of origin or the exporter's sales price, whichever is the higher of the two in the law.

Mr. WALSH of Massachusetts. Is there any precedent in previous tariff legislation for that system of valuation?

Mr. SIMMONS. None in this country. Some Senator said that was a just provision—that is, that in his opinion it furnished the proper basis for valuation for the levying of tariff taxes.

The answer to that is that while it may possibly be defended in principle, yet in many instances it will operate very harshly against imports from one country and bear very lightly upon imports from another country.

Mr. NORRIS. Mr. President——

Mr. SIMMONS. Just permit me to conclude this thought, and then I will yield.

However that may be, it is a very late day for the Republican Party to discover that in all the years during which they have been passing tariff bills in this country it has never occurred to them heretofore that it would be just or expedient to value imports upon the basis of the exporters' sales price rather than upon the basis of the market value in the country of exportation. There is not a tariff law upon the statute books, and the Republicans have put many there, that varies this general principle of valuation. They all recognize the selling price in the market of origin as the fair and proper measure of value for the purpose of taxation.

I now yield to the Senator from Nebraska.

Mr. NORRIS. I wish to ask the Senator if the difference between the export price and the selling price in the country of origin has varied to any great extent prior to the currency difficulties that now exist.

Mr. SIMMONS. I think it has varied in different markets.

Mr. McCUMBER. How much?

Mr. SIMMONS. I do not know. I am not prepared to answer that question.

Mr. NORRIS. I was wondering if there was any material difference.

Mr. SIMMONS. Let me answer that in this way: Senators on the other side when we were discussing the question said that it is perfectly natural that Germany should be valuing these products for purposes of export twice as high as the price at which they can be sold in Germany, because naturally Germany wants to get the full benefit of the high prices that obtain in the American market, and therefore she sends her goods here valued and to be sold at higher prices than they sell for in her own country; otherwise she would not get the benefit of our high prices, and naturally she wants to get the benefit of those high prices.

If that is the reason why Germany is doing this thing, can the Senator tell me why that reason should not apply hereafter as well as now, when things have become normal?

Mr. NORRIS. He would charge the highest price he could, but the point is, without discussing the propriety of those two prices, which I presume is a fact and seems to be undisputed, that I am not asking the Senator to explain the difference in price. It seems to be an existing fact. The point on which I was trying to get light was whether that kind of condition ever existed before. If it did not, then of course there would have been no reason for changing the basis of the relations.

Mr. SIMMONS. I presume in some countries it did exist. For instance, Egypt raises 1,500,000 bales of long-staple cotton. That is not enough to supply the demands of the world. By reason of the fact that she is the only country that produces it, except about 60,000 bales which are produced in this country, she has a monopoly of long-staple cotton. There is an active market everywhere. The price in the British market, the price in the American market, the price everywhere is very high. Great Britain and America are in competition for that cotton and their competition makes the foreign price very high. But I imagine there has been a time, if it does not exist now, when the home market for this cotton in Egypt was very low compared with the price in other countries.

Mr. NORRIS. It seems to me, if the Senator wishes to discuss the reason for that difference in price, that it must be that wherever there is a difference in price there is no very great competition between purchasers for home consumption and purchasers for export. In the case of Egypt, to which the Senator refers, whoever owned the cotton would sell it wherever he could get the most money for it, and if there was a demand and a shortage in the world of that product the exporters, if they were paying a higher price, would get it all, and there would be none left for home consumption. In other words, the point I wish to make is that if there were free and unrestricted competition the domestic price and the export price would be somewhere about the same.

Mr. SIMMONS. To a large extent that would be so, but not always. The illustration I gave with reference to Egypt is more strikingly brought out and emphasized by the situation that exists in China and Japan, but especially in China. China is a great producer of peanuts, which is an essential article of food in China. China consumes enormous quantities of peanuts. She has to import very frequently many million bushels, but notwithstanding that she sells to foreign markets every year a large amount of peanuts and buys from other countries where she can get them cheaper. The price of peanuts in the markets of that country is materially lower than the price they are invoiced and sold at here, and when those peanuts arrive in this country they are sold but little below the domestic price. I mean by that the exporter's sales price is very little below the prevailing American price and very much more than the domestic market price in China.

Mr. McCUMBER. Will the Senator allow me to ask him a perfectly fair question upon the real matter at issue, and he can answer it in any way he sees fit?

Mr. SIMMONS. Certainly.

Mr. McCUMBER. Leaving out of consideration the wickedness of the Republican Party and the equally satanic impulses of the Republican members of the Finance Committee——

Mr. SIMMONS. They are fine fellows, all of them.

Mr. McCUMBER. And getting right down to the simple proposition, suppose that an article is produced in Germany and sold for 25 cents. The same article is sold for export in Germany for 50 cents. The American price of the same article is $1. The importer pays 50 cents for that article. He can get $1 for it in the United States, making a good, fair remuneration and profit. If he gets the American price and can sell at that profit, ought he not to pay the Government a tax based upon the 50

cents, rather than a tax based upon the 25 cents? In other words, should not the Government have that benefit rather than put it into the pocket of the importer, at the same time leaving sufficient for the importer to make a good profit?

Mr. SIMMONS. Mr. President, I am not saying that the principle upon which the proposed system of valuation is based is not defensible. There is the viewpoint which the Senator now suggests. It is very strange, however, that the idea has never before occurred to the Republican Party. As a matter of policy, we could adopt it in this country, and possibly, although it would work hardship upon some countries and would be discriminately favorable to other countries, it could be defended in principle; if we wanted to adopt that standard in a tariff bill we could do so, and I do not think it would be the subject of any very serious controversy.

Mr. McCUMBER. It has not been adopted heretofore, let me say to the Senator, because the invoice price has practically at all times corresponded with the foreign selling price.

Mr. SIMMONS. Mr. President, I am not complaining of the principle which has been applied in this provision for the first time in the history of this country. What I am complaining of is that it is a device adopted at this particular juncture in an emergency tariff bill, not for the purpose of changing the method or standard of valuation—that is not the essential thing which Senators have in mind—but they have put this provision into the bill for the purpose—and it will accomplish that purpose—of increasing at an indefinite and uncertain rate the amount of taxes which will have to be paid at the customhouse under the present tariff act upon every article of merchandise which comes from certain countries of the world.

Mr. President, if it is desired to put this provision into the general tariff bill, let it be done, and then let the taxes be levied upon that foundation. I want to say to Senators now that upon the proposed basis of valuation the amount of taxes which we shall collect at the customhouse from imports from more than half of Europe—indeed, from nearly one-half of the world, for the law applies to other countries besides the countries of Europe—the taxes which will be collected at the customhouses under the present law will be very much higher in many instances than those which would be collected under the old valuation if the Payne-Aldrich law were in force, and in some instances they will be 100 or 200 per cent greater.

This provision should not be adopted as a tax provision except in connection with a general revision of tariff duties, because in fixing tariff duties the valuation basis of importation is an important factor and element for consideration in determining the just and proper rate of duties. The present rates were fixed with reference to the lower basis of valuation, and if you change that standard to the higher basis of the exporter's selling price you automatically and unequally increase the amount of the taxes to be paid. Logically, you would not levy as high a tariff rate to accomplish your purpose, whether it be revenue or protection, on the higher valuation as on the lower. Hence I say this basis of valuation can not with fairness to the consumer as well as to the exporter be fixed except in connection with a general revision of the tariff schedules.

It is proposed through this provision of the bill, Mr. President, to levy a tax upon the people—an indirect, hidden, indefinite, and unequal tax—the amount of which is unascertained and which it will take time to investigate and ascertain, by applying the present tariff rates to a different and much higher basis of valuation than the one they were fixed and enacted to be applied to.

When a tariff duty is levied the people know what taxes are being put upon them; they are written upon the face of the tariff law. Every man knows what burdens the Government has asked him to assume, but here it is proposed to levy a tax upon all the people of this country, with slight information in advance as to how much present taxes will be increased. This is a dangerous precedent in imposing taxes, and one which, Mr. President, ought not to be resorted to except in connection with a readjustment of tariff rates.

Mr. President, I wish to put into the RECORD a statement furnished me by certain tariff experts, some of whom testified before the Finance Committee, who have addressed themselves to the study of this question, giving as approximately as they can within the time for investigation the increases in valuations of certain articles of foreign merchandise if the valuation provision reported by the Senate committee is adopted.

It will be seen, taking Germany, for instance, that on all kinds of beads the increase in valuation will be over 50 per cent; on certain cheeses coming from Italy the valuation will be increased 144 per cent; on certain other classes of cheese coming from Italy the increase will be 581 per cent; on confectionery of a certain kind coming from Austria the valuation will be increased 187½ per cent; on surgical instruments from Germany the valuation will be increased from 33⅓ to 50 per cent; artificial horsehair from Germany is increased in valuation 120 per cent; lighting fixtures from Czechoslavakia, from 100 to 150 per cent; drawing instruments from Germany, from 75 to 135 per cent; rifles from Austria, from 50 to 100 per cent; chinaware from Germany, from 100 to 150 per cent; fancy goods, from 50 to 200 per cent; dinner ware from Czechoslavakia, from 30 to 80 per cent; earthenware of a certain kind from Germany, from 50 to 100 per cent; and so on, the rates increasing to a greater extent on commodities imported from some countries than in the case of other countries.

Mr. McLEAN. Mr. President, the list which the Senator is reading was inserted in the RECORD yesterday by the Senator from Pennsylvania [Mr. PENROSE].

Mr. SIMMONS. Very well; then I will content myself with the reference to the articles to which I have called attention.

Mr. President, I desire to insert in the RECORD a comparison in parallel columns in connection with the alternative-valuation methods proposed by the Senate committee substitute. The comparison shows the method of measuring the foreign market value—that is, country of origin—and the export value; that is, the price at which the exporter sells the merchandise.

The VICE PRESIDENT. Without objection, the comparison will be printed in the RECORD.

The comparison referred to is as follows:

Rules prescribed in Title III, sections 302 and 303, for ascertainment of value for the purpose of assessing ad valorem duties.

FOREIGN MARKET VALUE.	EXPORT VALUE.
Price at which such merchandise is sold or freely offered for sale to all purchasers in the principal markets of the country from which exported in the usual wholesale quantities and in the ordinary course of trade for home consumption (if not so sold or offered for sale, then for export to countries other than the United States).	Price at which similar merchandise is sold or freely offered for sale to all purchasers in the principal markets of the exporting country, in the usual wholesale quantities and in the ordinary course of trade for exportation to the United States.
This price shall include: 1. Cost of all covering or containers. 2. All costs, charges, and expenses incident to placing in condition, packed for shipment to United States.	This price shall include: 1. Cost of all covering or containers. 2. All costs, charges, and expenses incident to placing the merchandise in condition, packed for shipment to the United States. 3. Amount of any export duty by exporting country.
Time: Price at time of such exportation, or as of date of such purchase or agreement to purchase.	This price shall not include: 1. Costs, charges, United States import duties and expenses incident to bringing from place of shipment to place of delivery in United States.

Mr. SIMMONS. It will be seen from this statement that the two methods of value differ in two respects: First, market value is based upon the price for home consumption; and, second, the export value is based upon the price of exportation. Market value does not include the tax imposed upon the exportation of the article, while the export valuation includes any export tax that may be imposed by the country of production.

Thus, Mr. President, if we adopt the higher export price we not only levy a tariff tax upon the merchandise but we levy a tariff tax upon the export tax, which export tax also operates as a protective-tariff duty for the benefit of the American producer. So the American producer in his competition gets the benefit of the export tax, and then the amount of that export tax is actually required to pay a tariff tax in this country for his further protection. I will not discuss that further.

Mr. President, I have been examining the report made by the Finance Committee upon this bill. In that report they bodily copy the report of the Ways and Means Committee of the House, drafted, I suppose, by Mr. YOUNG, whose name that bill bears. In that report I read as follows:

> There is now a large surplus of farm products in this country caused partly from under consumption, but chiefly by the dumping here of great quantities of foreign products. This surplus will continue to increase so long as present world conditions exist.

Mr. President, I can see how a man might have said that six months ago with some show, at least, of justification, when temporarily imports to this country were inflated, largely, as I said yesterday, as the result of the enormous war supplies of the various allies and the Central Powers which had been thrown upon the market and had to be absorbed, and were seeking a market anywhere it could be found, at any prices which could be obtained; but it passes my comprehension how any man with reasonable knowledge of the facts as they exist to-day with reference to importations could make that declaration in a solemn document, and assert that the assumption of those facts furnishes the foundation and the basis of legislation imposing enormous tax burdens upon the people of this country.

Mr. President, the trouble about this agricultural emergency tariff is that it is based upon a false assumption of fact. It

should be evident to every one at all familiar with the facts as to the domestic production and consumption of some of the agricultural products embraced in this bill that no amount of tariff duties can affect the American price one way or the other.

For instance, take corn. We raise about 3,000,000,000 bushels of corn annually in this country. During the last eight months of the present fiscal year we imported only 500,000,000 bushels of corn. We exported during the same period 24,000,000 bushels, nearly five times as much as we imported, and our imports bore to our production the relation of 5,000,000 to 3,000,000,000. Yet, Mr. President, the corn farmers of this country are told that the importation of 5,000,000 bushels, an amount less than is raised in some counties in the Central West, is the chief cause of their present distressful condition. They are told that these 5,000,000 bushels of corn imported here from abroad have broken the price of corn in this country and reduced it from $10 a barrel to about $3.50 to $4 a barrel.

Is it possible with the boasted initiative and constructive ability of the Republican Party the only thing it can think out and do in response to the appeal of the millions of corn producers of the country for relief from present deplorable conditions is to place a tariff tax of 15 cents a bushel on 5,000,000 bushels of corn imported into this country during the past eight months?

Is there a man of ordinary intelligence who has investigated the matter as you have on the other side of the Chamber, and who understands the effect of the duty you are giving him, who does not know that that is a fake? Why do you want to try to deceive the farmer in that way?

I could follow that up with illustrations from the bill, but, Mr. President, I do not intend to go into that at this time. What I desire to do now is to file some tables for the purpose of showing that importations have been for many months past, and are still, rapidly decreasing, and that importations in general, taking those from the world as a whole, are not excessive; that they are probably not as large as we might expect them to be under the conditions that exist now. And especially that agricultural importations are not increasing as the majority would have the farmer believe, but have for months been rapidly decreasing and with respect to many articles embraced in this bill have practically ceased as the case of peanuts and many of the vegetable oils will illustrate.

Mr. President, I have here a table of imports from different groups of countries for February, 1921—the present year—and for February, 1920. First let me take European importations:

In February, 1920, the imports from Europe taken as a whole, in round figures, were $106,000,000. In the month of February, 1921, just one year afterwards, the total imports from Europe were $55,000,000, or just about one-half.

Take the Central American States. In February, 1920, the imports were $4,770,000; in February, 1921, they were $2,352,000—about one-half.

In the case of Cuba, in February, 1920, the imports were $72,000,000; in February, 1921, only $28,000,000.

The total for North America in February, 1920, was $136,000,000; in February, 1921, only $78,000,000.

Argentina: We have heard a great deal of talk about the flood of importations from Argentina, especially agricultural imports. Attempts have been made to frighten the farmers with the prediction of rapidly growing imports from Argentina and Brazil, both great agricultural countries. In February, 1920, our imports from Argentina were $15,000,000; in February, 1921, only $5,000,000, or one-third.

Bolivia: $951,000 last year, as against $379,000 now.

Brazil: Another country from which we are said to be in danger of importations. Brazil's exports to this country in February of last year were $17,000,000; in February of this year, $9,000,000.

Chile: Last year, in February, $12,000,000; this year, in February, $4,000,000.

Colombia: Last year, $4,000,000; this year $2,000,000.

All the other States of South America are in about the same proportion.

Mr. President, I come now to Asia. We have heard more about the dangers of Asiatic competition than about the dangers from imports from any other section of the world, I presume.

In my section of the country the farmers have been led to believe that in all probability in a few years Japan and China will come over here and take charge of our markets, as far as agricultural products are concerned. Some of them have been led to believe that those conditions are to be precipitated upon us right now. These facts about China are that in February, 1920, our imports from China were $20,000,000; in February, 1921, they were only $7,000,000 in round figures.

Our imports from British India in 1920 were $14,000,000, in round figures; in 1921, this year, they were $8,000,000, in round figures.

Japan has been held up to the farmers of this country as one of the greatest menaces, to agriculturists especially. We imported from Japan last year, in February, $43,000,000, and in February of this year only $11,000,000, stated in round figures. Taking the whole of Asia last year, in February, we imported $117,000,000, and this year in that month we imported $42,000,000.

We have heard much in these tariff discussions and propaganda about African invasion of our markets. In February, 1920, we imported from Africa $27,000,000, and this year in February we imported $3,000,000.

Now, Mr. President, I have certain tables here brought up to date. These tables show the importations of various specific articles included in the present emergency tariff bill, in one column is given imports during the months of January and February, 1920 and 1921, respectively, and in the next column the imports are given for the eight months ending February 28, 1920 and 1921, respectively. I want to call attention to only one or two of these schedules. These tables were prepared for me by the Actuary of the Treasury, an expert, and are, I am sure, correct.

We have heard a great deal from the Senator from North Dakota [Mr. MCCUMBER] about importations of Canadian wheat to this country, and I discover from these tables that the entire importations of wheat into this country during the eight months of this fiscal year ending February 28, 1921, were 41,775,965 bushels.

Now, let us see, Mr. President, about the exportations during that period. The exportations of wheat from this country during the eight months ending February 28, 1921, were 209,857,400 bushels, and of the 41,000,000 which came in during those eight months of the present fiscal year ending February 28, 1921, there were exported from this country during the two months of January and February of this period 39,813,584 bushels, or there were exported during two months of this year within 2,000,000 bushels of as much wheat as came in from Canada during the first eight months of the present fiscal year. Yet we are legislating here upon the assumption that the American wheat market is being destroyed by the importation of wheat from Canada. Nearly as much was exported in two months as was imported in eight months, and five times as much was exported as was imported during the eight months ending February 28, 1921.

Mr. President, I have already extended this discussion beyond the time I expected to take, and, as much as I am tempted to do it, I will not take up the various items covered in this bill as I intended to do. But I do want to refer to one other feature of it.

There is a fear on the part of some of the peanut growers of my State with reference to importations of peanuts from abroad. They have been told, just as the woolgrowers have been told, that the importations of peanuts from abroad have been enormous; that there are ships loaded with them on the way; and that when they get here they will take charge of our markets. A great many of the people in my State have believed that and have been writing to me about it. I have the statistics here for the months, first, of January and February of last year and of this year, expressed in dollars and also in pounds.

I find that in January and February, 1920, there were imported into this country 25,520,246 pounds of peanuts. There were imported during the same months of 1921, only 3,959,917 pounds, or only about one-sixth as much. Peanuts run from 22 to 25 pounds to the bushel.

During the eight months ending February 28, 1920, there were imported of peanuts 47,000,000 bushels, in round figures, as compared with 12,000,000 bushels in 1921, or just about one-fourth as much. Importations have progressively declined from month to month.

The same outcry is made against the importations of peanut oil.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I do.

Mr. SMOOT. I think the Senator made a rather poor comparison when he drew a comparison between peanuts and wool.

Mr. SIMMONS. I was only comparing them with reference to the amount alleged to be coming in. I was not making the comparison in any other sense.

Mr. SMOOT. I say that the Senator was unfortunate in his comparison, because up to December 259,617,641 pounds of wool arrived in America from abroad. That is according to a report just received from the Department of Commerce.

Mr. SIMMONS. Will the Senator let me have that memorandum?

Mr. SMOOT. Certainly. That was for the year ending December, 1920.

Mr. SIMMONS. I was speaking of 1921. I have later figures than those.

Mr. SMOOT. For 1921 the figures are even worse than those for 1920.

Mr. SIMMONS. The Senator is mistaken.

Mr. SMOOT. I have a statement here showing that I am correct.

Mr. SIMMONS. The Senator can put whatever statement he has in the RECORD, and I will change my statement if it is found incorrect to conform to the facts.

Mr. SMOOT. That is all I care about.

Mr. SIMMONS. I think the Senator is mistaken, but I may be mistaken.

Mr. SMOOT. The Senator is not stating any figures of his own. He is taking his figures from reports furnished by the United States Department of Agriculture and the Department of Commerce.

Mr. SIMMONS. Yes; in the statement I made about wool a little while ago I was not reading. I was stating it from memory. I was reading from the books as to the other matters. The correct figures for the fiscal year 1921 will be found in the tables I have referred to and which I will attach to my remarks in the RECORD.

There is a statement made in the report of the committee on this bill to which I wish to call attention. The report says:

From the standpoint of the public it is believed the costs of retail will not be materially affected by reasonable duties on farm products. Under our present very faulty distribution system, which is sadly in need of reformation, the prices paid to farmers seem to bear little relation to the final sales price. For instance, we have seen the price of wheat reduced in half during recent months and the cost of bread remains at the same exorbitant price in most, if not all, the cities. Onions and some other products which are now unsalable on the farm excepting at far below cost of production are selling in the stores at about the same price as formerly.

Mr. President, there we have the whole thing. We have the farmer, with no protection, getting only one-half the cost of his onions when he sells them in this market. He is told that is because he has no protection; that if he had protection he could get a bigger price. Here is the dealer and the storekeeper, who buy these onions from the farmer, who sell them in the same market with no other protection than the farmer had, and yet he gets for them twice what the farmer got.

Mr. President, how can it be that the absence of tariff has destroyed the farmer's market for his onions and makes them practically worthless in his hands, but that same lack of tariff does not affect the price which the dealer and the storekeeper can command in the same market for the very same onions they bought from the farmer at below the cost of production? I would like very much to have that matter clarified. Why is it that the tariff, from the Republican standpoint, beats down the price of a product in the hands of the farmer to below cost and yet does not affect the price of that article when it goes out of the hands of the farmer and into the hands of the dealer and the merchant and the speculator? That is what Mr. YOUNG says in this article has happened and is happening, and we know it is happening every day.

APPENDIX A.

	Imports by countries.				Exports by countries.			
	February, 1920.	February, 1921.	8 months ending February, 1920.	8 months ending February, 1921.	February, 1920.	February, 1921.	8 months ending February, 1920.	8 months ending February, 1921.
Belgium	$2,565,881	$2,665,100	$12,559,418	$30,471,886	$28,145,902	$12,137,993	$217,062,562	$153,219,848
Germany	3,881,559	4,952,278	18,232,918	63,298,348	18,598,807	39,619,713	117,216,556	281,685,484
France	12,678,431	11,578,252	113,803,363	101,386,387	65,520,067	20,432,178	494,563,713	376,850,010
Italy	8,241,507	2,060,506	66,155,068	36,303,979	26,083,505	28,198,613	262,144,392	228,493,139
Netherlands	11,545,546	2,912,272	70,113,194	49,499,535	17,153,302	17,880,925	201,624,360	198,000,902
Spain	2,941,429	1,131,468	33,916,751	25,281,070	8,295,853	8,051,109	69,113,815	104,315,681
United Kingdom: England	45,711,353	16,560,974	277,553,854	198,522,481	157,036,616	86,042,893	1,414,490,626	933,216,493
Total in Europe	106,655,718	55,005,226	732,179,927	676,587,289	384,052,168	241,793,255	3,354,639,150	2,682,593,291
Canada	39,645,627	32,874,301	358,661,736	417,506,187	63,316,091	45,178,874	546,448,357	592,237,016
Total, Central American States	4,770,757	2,352,677	27,650,640	30,564,354	6,808,834	6,926,691	43,084,398	57,893,932
Cuba	72,746,700	28,183,409	301,418,638	300,526,380	31,434,027	25,503,646	214,947,725	344,816,937
Total, North America	136,970,447	78,798,001	837,269,238	901,582,862	124,817,922	111,383,993	968,633,995	1,273,905,936
Argentina	15,104,410	5,315,980	177,034,495	101,626,078	11,612,237	16,441,443	104,672,390	166,304,429
Bolivia	951,483	379,879	3,533,775	5,093,974	222,266	502,585	2,055,458	3,730,804
Brazil	17,324,752	9,289,131	193,395,116	116,373,119	10,443,023	6,240,074	69,206,018	110,268,303
Chile	12,537,633	4,902,757	59,240,516	60,820,242	3,708,364	4,551,534	25,755,850	41,857,672
Colombia	4,830,347	2,464,509	37,517,999	31,122,684	4,664,546	1,844,340	23,959,234	27,541,688
Ecuador	1,434,470	433,332	7,482,596	6,699,716	737,187	333,884	6,086,939	6,852,555
Uruguay	4,908,973	1,593,170	34,630,406	10,056,017	2,329,857	2,675,962	16,644,979	23,839,691
Venezuela	2,721,425	1,017,780	22,244,175	7,764,632	2,431,256	945,523	13,278,978	14,757,367
Total, South America	67,763,247	26,509,107	567,414,595	379,024,708	40,440,955	38,804,180	285,399,946	438,582,488
China	20,446,340	7,255,371	136,315,431	78,213,750	7,124,643	12,768,893	67,880,388	102,779,106
British India	14,736,716	8,322,433	110,287,555	95,279,488	8,239,591	7,816,774	44,518,517	72,799,626
Japan	43,224,813	11,711,304	367,033,569	175,882,012	34,884,168	22,028,530	244,914,167	131,349,112
Russia in Asia	2,200,528	129,092	8,933,526	3,478,387	8,583,796	3,613	27,990,892	498,054
Turkey in Asia	1,349,112	2,355,028	20,385,849	15,016,120	946,839	1,000,142	4,703,842	6,821,010
Total, Asia	117,012,930	42,122,790	877,961,788	636,432,676	68,585,025	58,490,578	455,028,029	410,541,029
Total, Africa	27,622,703	3,147,856	115,580,629	40,264,085	9,666,981	12,199,374	61,630,294	110,958,005
Grand total (world)	467,402,320	214,525,127	3,235,079,829	2,757,338,312	645,145,225	489,297,067	5,230,213,254	5,126,069,108

APPENDIX B.

Articles.		United States imports.				United States exports.			
		January and February.		Eight months ending Feb. 28.		January and February.		Eight months ending Feb. 28.	
		1920	1921	1920	1921	1920	1921	1920	1921
Wheat	bushels	1,280,920	9,908,568	3,129,425	41,775,965	13,418,194	39,813,584	87,605,400	209,857,400
	dollars	3,411,669	15,062,259	7,440,977	83,048,011	32,608,391	82,214,422	210,973,935	551,392,339
Wheat flour	barrels	56,373	422,767	65,257	1,073,383	2,097,099	2,303,611	12,003,421	10,411,964
	dollars	600,025	3,746,443	689,149	10,698,321	23,407,490	19,978,791	132,467,810	112,936,889
Corn	bushels	565,238	11,482	8,623,106	5,624,583	4,012,296	13,579,964	9,871,755	22,742,917
	dollars	564,316	17,965	8,374,058	6,836,409	6,014,513	12,150,699	15,838,624	24,620,950
Peanuts	pounds	25,520,246	3,959,917	47,272,703	12,813,386	1,506,496	2,503,793	11,263,082	7,488,857
	dollars	2,427,716	207,346	4,156,665	897,856	213,777	180,524	1,360,256	702,352

APPENDIX B—Continued.

Articles.		United States imports.				United States exports.			
		January and February.		Eight months ending Feb. 28.		January and February.		Eight months ending Feb. 28.	
		1920	1921	1920	1921	1920	1921	1920	1921
Fresh meat (beef, veal, mutton, lamb, and pork)	pounds	7,069,794	24,255,954	32,087,798	141,337,815	44,990,938	44,008,352	132,732,938	78,536,426
	dollars	1,207,137	2,764,538	5,276,428	18,004,483	9,796,935	7,843,317	30,194,858	14,945,407
Wool, Classes I and II	pounds	58,599,628	55,653,986	249,097,956	114,547,458	872,906	428,831	3,361,330	4,771,856
	dollars	29,878,311	12,641,402	126,920,514	36,585,954	677,114	126,124	2,568,949	2,010,790
Sugar	pounds	1,340,693,043	850,387,868	4,291,266,365	4,279,189,112	229,013,809	96,513,032	908,698,251	256,359,194
	dollars	129,716,263	44,207,325	297,768,762	541,332,635	18,632,430	7,218,683	73,206,417	24,898,417
Butter	pounds	1,429,948	5,708,843	7,657,221	28,619,329	6,193,556	1,544,401	18,397,011	4,079,757
	dollars	827,805	2,699,591	4,121,885	13,723,360	3,735,069	685,202	10,523,917	2,124,771
Cheese	pounds	1,822,775	2,557,439	11,768,019	10,522,726	2,504,598	2,128,617	9,132,834	5,670,224
	dollars	679,921	888,106	4,039,200	3,723,448	904,890	608,451	3,406,727	1,778,363
Milk (preserved, etc.)	pounds	4,601,412	2,035,081	14,274,818	16,512,302	89,527,727	52,785,989	518,208,564	185,183,577
	dollars	693,249	391,748	2,916,593	3,904,030	13,860,441	7,369,687	76,127,351	30,017,048

United States trade in oils and wrapper tobacco.

Articles.		8 months ending Feb. 28, 1920 and 1921.				February, 1920–1921.			
		Imports.		Exports, domestic.		Imports.		Exports, domestic.	
		1920	1921	1920	1921	1920	1921	1920	1921
Oils:									
Peanut	gallons	13,469,920	2,281,848	[1] 4,892,001	[2] 1,140,130	1,210,186	22,698	[3] 172,178	[4] 27,219
	dollars	15,493,826	2,204,025	1,188,312	183,682	1,699,868	19,312	45,146	3,849
Cottonseed	pounds	17,615,472	1,032,590	94,975,703	192,771,960	493,170	271,687	20,318,254	39,089,396
	dollars	2,353,224	121,873	21,331,750	24,044,617	73,599	32,110	4,515,952	4,276,772
Coconut	pounds	196,707,181	127,985,418	130,932,812	4,171,842	30,895,775	27,366,981	4,317,729	462,403
	dollars	26,564,865	16,647,306	27,130,770	656,991	4,805,043	2,986,118	859,385	48,583
Soya bean	pounds	138,595,739	33,563,896	35,569,047	4,780,593	14,102,500	1,000,000	5,767,610	62,412
	dollars	17,711,065	3,372,208	7,828,628	739,409	1,714,685	40,054	1,275,017	5,825
Olive, edible	gallons	5,220,529	2,368,618						
	dollars	11,153,385	7,662,200						
Olive, fit only for manufacturing, etc.	gallons	167,812	20,302						
	dollars	257,433	39,464						

[1] 4,892,001 pounds equal 652,267 gallons.
[2] 1,140,130 pounds equal 152,017 gallons.
[3] 172,178 pounds equal 22,957 gallons.
[4] 27,219 pounds equal 3,629 gallons.

Mr. FLETCHER. Mr. President, when this measure, so far as its tariff features are concerned, was before the Senate, toward the close of the last Congress, I had occasion to express my views regarding it. Nothing has occurred to cause me to modify or change them. It would be unnecessary to repeat them now.

The fact is, on account of the situation in reference to the rates of exchange, the disorganized markets, demoralized credits, and the advantages possessed by the United States over other countries at this time, there is no need for tariff legislation. Conditions are rapidly changing, readjustment is taking place, a stricken world is gradually recovering, and in the unstable, unsettled conditions prevailing everywhere no permanent tariff laws should be enacted at this time.

The outstanding fallacy in connection with the pending bill is the claim that its enactment would benefit those engaged in agricultural pursuits in the United States.

If the bill was confined entirely to agricultural products, there would be at least an appearance of good faith in such claim, but since it embraces manufactured goods, for which the farmers and other consumers must pay prices increased far beyond the duties, if the measure accomplishes what its proponents claim, it is made clear, beyond question, that it is not even intended to be of real benefit to the farmers of the country. If it becomes a law, the producers of agricultural products will be sorely disappointed, in so far as they may expect it to operate to their advantage.

Since it is to remain in effect only six months, it may not work any serious harm. It will, however, accomplish no good result and its pretensions will be exposed by experience.

I have always felt very great sympathy for every effort put forth that might make for a sound and healthy agriculture. Whatever would encourage and stimulate those who produce the Nation's food, it has been my hope and purpose to favor and advocate.

The fundamental industry of the country is agriculture. If that languishes and suffers depression, all the people must feel the painful effects. No country can enjoy permanent prosperity if farms are abandoned, if agriculture is made unprofitable, and the conditions of rural life are hard and uninviting.

In the United States there are 6,449,242 farms. Of these, 3,924,851 are operated by owners, 68,512 by managers, and 2,455,879 by tenants. Nearly one-third of our population are interested, directly or indirectly, in agriculture. This is a sufficient statement to indicate the importance of that industry, but it is not all that might be said. Every man, woman, and child in the country who has to have food and wear clothes is concerned. What we sometimes hear mentioned as the "farmer's problem" is equally the problem of every citizen. Whether we are farmers, or merely consumers, we must all move forward or backward, suffer or prosper, along with those engaged directly in agricultural pursuits.

It becomes, therefore, appropriate when we are considering any measure that is put forward as having a bearing on any of those problems to refer to and urge any real, substantial, helpful proposal which might be advanced as a solution of any of the problems and offer any relief against any of the difficulties which confront those engaged in agriculture.

SOMETHING WORTH WHILE—REAL FINANCIAL HELP.

The Federal farm loan act constitutes the firm foundation for agricultural growth and development. It provides the only financial system ever devised in this country to meet the financial need of the farmer. Under that law some $426,000,000 have been been found for those actually engaged in farming, for the wholesome purposes set forth in the act, at an interest rate of 5½ per cent, with amortization and other privileges of incalculable benefit to those who have long been burdened with excessive interest rates and charges, and in many instances unable to obtain any financial accommodation. No industry in existence could have survived these burdens and difficulties and deprivations which agriculture has been obliged to endure through all the years to July, 1916.

The amount mentioned has been made available to the farmers of the country since then, notwithstanding the case of Smith against Kansas City Title & Trust Co., recently decided by the United States Supreme Court, which was pending for some 18 months, during which time the Farm Loan Board practically ceased to function. The effect of the suit paralyzed the operation of the system. Happily the validity of the act

was fully sustained by the Supreme Court, and operations have been resumed.

Under that act the money which is loaned to farmers for the purposes set forth in the law is obtained by the sale of farm-loan bonds to the public. The law provides that the borrower can be required to pay to the Federal land bank only the same rate of interest which the bonds bear, the proceeds of which are loaned to borrowers, plus the cost of administration, which shall not exceed 1 per cent. This cost has not heretofore exceeded one-half of 1 per cent. As the business increases and the transactions multiply this cost will be still further reduced. The bonds are offered at 5 per cent, so that the borrower can not be called on to pay more than 5 per cent plus the cost of administration, which has heretofore not exceeded one-half of 1 per cent.

It is plain, therefore, that the lower rate of interest which the bonds bear the lower rate the borrowers will pay. It was for this reason these bonds were made exempt from all taxation—municipal, State, and Federal. A bond exempt from all taxation can be sold more readily and at a lower rate of interest than one that is not. Whatever will increase the demand for these bonds enhances their use and promotes their sale, will be advantageous to the system, to the borrowers, and therefore to the real farmers of the country.

With this in view I have proposed a bill, and I sincerely hope the committee will report it favorably and that it will be enacted into law, to amend second and third paragraphs of section 27, farm loan act, to read as follows:

That any bank of the Federal reserve system may buy or sell farm-loan bonds; any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made, or the direct obligation of such bank, maturing within 60 days, when accompanied by farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by any Federal reserve bank.

I submitted this bill to Mr. W. W. Flannagan, who is thoroughly familiar with the farm loan act, the Federal reserve act, and our financial systems generally. He has been a banker, a student of finance, and has been connected with the movement and the hearings and the actual framing of the farm loan act, and knows it thoroughly. He is in full accord with the originators of the whole scheme and most desirous of serving the agricultural interests. He was secretary of the Farm Loan Board until their activities were stopped by the suit referred to, and I have great confidence in his judgment on any financial question. I adopt his views in every detail with regard to the merits of this bill, and I desire to insert here as a part of my remarks his letter to me on the subject.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter is as follows:

NATIONAL UNION OF FARM LOAN ASSOCIATIONS,
Washington, D. C., April 15, 1921.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SENATOR FLETCHER: I have examined with a great deal of interest the provisions of your bill (S. 4994, 66th Cong.; S. 620, 67th Cong.) and highly commend its purposes and the effective method thereby provided to secure capital for the farmer at a low rate of interest, while preventing the farm loan system from becoming an annual charge against the revenues of the Government, in the form of forced purchases of farm loan bonds.

Your prominent connection with the rural credit movement from its very inception as chairman of both of the commissions which were sent abroad to gain information and make a study of the subject, as author of the first rural credit bill introduced into Congress, as member of the Senate Banking and Currency Committee of the Sixty-third Congress, which secured a great amount of valuable testimony on the subject through the hearings it held, as member of the same committee of the Sixty-fourth Congress, which considered and reported the bill that afterwards became the farm loan act, as member of the conference committee which gave final effect to this work, and your consistent advocacy of every public measure which has had for its purposes the advancement of the welfare of the American farmer entitles any measure proposed by you on this subject to the most favorable consideration from the American people.

I concede that the business of agriculture is fundamental and that its prosperity is a necessity for the continuation and advancement of our civilization, and that it is the duty of the Government to provide, if necessary, the means, at the expense of all of the people, whereby this prosperity is assured to those who are worthy and willing to engage in this fundamental industry, but I think it would be a mistake to make any system of finance dependent for success upon annual appropriations from the Treasury, even if such appropriation results in an undoubtedly sound investment yielding in normal times a profit on such investment.

In other words, while it is sound from an economic viewpoint in a democratic government to tax all the people in order to be certain that those engaged in the production of the necessaries of life find it sufficiently attractive to continue that pursuit so that the adherents of agriculture remain contented and happy, and its development keep pace along other lines of human endeavor, it is not necessary to adopt this procedure, if other means can be found, justified by our experience, wholly in keeping with our system of finance, whereby the farm-loan system may be made independent of receiving recurrent Government aid, dependent upon the changing views of each succeeding Congress. To make it so dependent is to leave the system incomplete in itself as a system of finance, and invites continual criticism, if it does not spell failure.

I think you have found "the other means" in your bill, the merits of which I purpose to discuss in this letter as I see them.

The ultimate success of the farm loan act in serving its avowed purpose "to provide capital for agricultural development" must, of course, depend upon the ability to sell readily farm-loan bonds bearing a low rate of interest at not less than par. The restrictions thrown around the issuance of these bonds under the provisions of this act leave no doubt as to the security they offer as far as human foresight can make them secure, and it is not necessary to discuss here the nature and value of such security.

The experience of the world in the collection of debts from the time debts were first known and interest charged for their deferred payment, demonstrates beyond question that productive real estate is the surest and safest of all security, never failing except with the government which defends the title thereto, and not always then.

The very meaning of the word "real" indicates the permanence and safety of the security which real estate affords.

Now, in order that these bonds shall sell readily, there must be a constant and continued demand. Demand comes from human desire, a state of mind, a wish to be benefited. The usual benefit offered for the loan of capital is profit in the form of interest, and though it is a recognized economic fact that the higher the interest rate the lower the security, periods in financial history occur—especially following the great destruction of capital which every war causes—that irrespective of security, capital, because of its scarcity, demands and commands higher rates of interest than often the business of the borrower can afford to pay. Especially is this the case when Governments become borrowers in large amounts to meet the devastation of wars.

We have just this condition which confronts us to-day in the case of farm-loan bonds. The markets are flooded with offerings of high-class securities issued by governments, railroads, industrial and mercantile establishments, every form of human endeavor, all seeking the use of capital at higher rates of interest than the business of farming will justify, more than the farmers can pay and properly live. Yet he must live and prosper, yea, more than that, he must be satisfied and contented, or American civilization dies in a supreme reign of chaos.

In finding a market for farm-loan bonds we can not compete on the basis of profit derived from the rate of interest offered, and the demand must therefore come from some other right, benefit, or advantage which they offer. The genius of Salmon P. Chase solved a similar problem for the Government, when during and at the close of the Civil War the necessity of floating large volumes of United States bonds arose, in order to fund the indebtedness caused by the war, at a lower rate of interest. United States bonds were selling far below par; there was no demand to justify a large issue; greenbacks were at a heavy discount and gold was selling at a premium. Chase saw some other inducement than high interest was necessary, that he could not compete on this basis, so he gave to United States bonds the circulating privilege. He allowed national banks to deposit with the Comptroller of the Currency United States bonds and the privilege of the issuance of circulating notes against such deposit. He utilized the bank function of note circulation to supply the pressing necessities of the Government, and later, by taxing State-bank notes out of existence, gave us a uniform currency, circulating at par throughout the whole country, which continues to this day. The result of this advantage or benefit was that United States bonds bearing 2 per cent interest have commanded a premium on the market, while similar bonds bearing a much higher rate of interest sold for less than par. This shows conclusively that advantages or benefits may be given under the law which will create a demand for

bonds, irrespective of the rate of interest they bear; or, in other words, the security of the principal being assured, the rate of interest the bonds bear is not always the governing factor in creating a demand and establishing the market price.

The Federal reserve law has now changed this collateral benefit held by national banks and practically given a monopoly of the circulating privilege to the Federal reserve banks. Under the operation of this law, the bank function of discount is interwoven with the bank function of circulation or note issue, so that no circulating notes can be obtained as a medium of exchange unless preceded by a discount of commercial paper at a Federal reserve bank.

Such discounts create reserves for the other member banks, so that in order that circulating notes may be had for the purposes of trade the banks must draw against their reserve balances with the Federal reserve banks. They can not count the circulating notes thus drawn as a part of their lawful reserve, nor can they restore their reserve by a redeposit of these notes, so that in order to obtain circulating notes to meet their customers' requirements for this medium of exchange the banks must convert "reserve funds" in the form of bank balances or credit with the reserve bank into "nonreserve funds" and replenish the same by another discount. These balances are created by discounts, as stated; they are called rediscounts, and must consist of paper previously discounted by a member bank of a particular nature—that is, such paper must represent a debt incurred by the sale and transfer of a commodity, or, in other words "commercial paper." The Federal reserve act is based on the theory that there never can be any excess of commercial paper, and is intended to afford the means whereby such paper can always be readily converted into cash, thus encouraging and facilitating business.

But observe that the business thus intended to be facilitated is the business of trading—the buying and selling of commodities on time, the extension of credit for short periods. It is the merchant who is intended to be and who is benefited. He is the man who is afforded the credit facilities whereby he can extend to his customer time for deferred payment.

Now, the farmer is not a trader nor a merchant. He does not buy and sell his products for profit. Through utilizing the forces of nature he creates the products which the merchant buys and sells for his own profit. The farmer must sell when his product is ready for market, and he sells such product usually once a year.

What your bill does is to give the farmer some of the indirect benefits of the Federal reserve act. It affords a point of contact between the Federal reserve act and the farm loan act whereby the benefits of the former, now held exclusively by the trader, may be shared by the producer. And in extending this benefit to the producer it does not lessen but increases the benefit to the trader. The benefit to both is increased through the medium of the commercial banks, which in turn are also benefited through the additional facilities they are thus enabled to extend to all classes of business interests.

This benefit comes to the farmer through the farm loan act by creating a constant and broad market for farm loan bonds. It comes from creating a demand for such bonds from the banking and commercial interests of the country. Every national bank and indeed every member bank of the Federal reserve system will want to hold constantly some of these bonds as a secondary reserve, an asset that is always convertible into cash under your bill, irrespective of the maturity, and always bearing a reasonable rate of interest until so converted. It is not an idle or noninterest bearing reserve, as is the case with money in the vault or balances with the Federal reserve banks. Every country banker will readily appreciate the advantage of having such an asset. He may not have the opportunity in his locality to keep on hand at all times "commercial paper" to meet the requirements of the Federal reserve bank when he needs a rediscount. His "average balance," which the city bank requires him to keep in order to entitle him to a discount, may not have been "satisfactory" to the city bank. Indeed, having farm-loan bonds among his assets removes the necessity of "keeping balances" for the purpose of obtaining discounts, and they pay him a better rate of interest than he can get on such balances. He will need such balances only for the purpose of supplying "exchange." He will have a feeling of comfort and independence which he can not have when dependent upon the convenience or necessities of his city bank correspondent or perhaps the will or the whim of some officer thereof. The rate of interest he will have to pay on his rediscounts with farm loan bonds as collateral is public knowledge, fixed beforehand, and not dependent upon market fluctuations in interest rates caused by stock-exchange dealings or otherwise.

The city bank or banker, the big insurance and trust companies, indeed all dealers in securities or traders in debts (and banking is but another name for trading in debts), will find it most convenient to have always available a security which, under any and all circumstances, may readily be converted into cash.

Nor will this demand come alone from the banking fraternity, whose business is the buying and selling of debts, but from large and small investors as well. As soon as it is understood that farm-loan bonds will always command a banker's acceptance, and that these acceptances under the Federal reserve act entitle the holder to the lowest rate of discount at the Federal reserve banks, such bonds will be sought for by savings banks and by big industrial and mercantile establishments whose business requirements are such that only at certain seasons of the year must they have ready cash. They will not find it necessary to keep large bank balances idle or bearing a nominal rate of interest, for farm-loan bonds will then be a most desirable substitute for such balances, yielding a greater profit.

A small investor will also find these bonds a profitable substitute for time deposits, being in convenient denominations and yielding a better rate of interest, yet always available to produce cash.

The privilege or benefit your bill asks for farm-loan bonds is now enjoyed by United States bonds and is no new experiment in finance.

OBJECTIONS CONSIDERED.

You are sure to have used as arguments against your bill, if not urged as fatal objections which should defeat it, (1) that it amends the Federal reserve act, and (2) the claim that it is not in keeping with the principles of that act, which is based upon having quick assets held by the Federal reserve banks in the form of "self-liquidating" commercial paper of short maturity.

These objections, when analyzed, have no real force, as I shall endeavor to show. It is true that your bill amends the Federal reserve act, and it should be so amended.

The Federal reserve act was made for the banker in order to enable him to extend short credits to the merchant or trader in commodities. It does not provide directly for the farmer, because it deals in liquid capital, while the farmer must have credits of long duration. But it does not follow that the trader should have a monopoly of the benefits of the use of liquid capital. If the farmer can put his capital, which is his land, in a form whereby it becomes liquid—as between the traders—i. e., capable of being transferred rapidly, then he becomes the indirect beneficiary of such trading.

An illumination of this thought is shown in the case of a banker who issues a circulating note for value. The note passes from hand to hand effecting transfers of property indefinitely, but the banker who originally issued it is the beneficiary, and continues so, as long as the circulating note remains outstanding.

To make a constant and steady market for farm-loan bonds as your bill will do is to make the farmer's capital liquid, and thus enable him to share indirectly the benefit of the Federal reserve act, now enjoyed by the merchant.

SELF-LIQUIDATING PAPER.

The theory on which the Federal reserve act is constructed, with reference to the issuance of circulating notes, is that the security for such notes must be commercial paper, because such paper is "self-liquidating," meaning by such expression that it is paid at maturity from the proceeds of the commodity which changed ownership when the paper was given.

If this were true in practice, the theory would be all right, but every banker knows it is not true, either in theory under the definition given for commercial paper by the Federal Reserve Board nor in practice, by his own experience.

Under our practice there is no such thing as "self-liquidating" paper. No banker attempts to follow the proceeds from the sale of a commodity which has been purchased with so-called commercial paper, unless the commodity so purchased is specifically pledged, as in the case of a bill of lading or a warehouse receipt attached, and then it is not treated as commercial paper, but as collateral secured paper.

Again, where transfer and delivery of a commodity is made upon the execution and delivery of a promissory note in settlement, no retention of title to such commodity is made by the seller and no legal obligation exists on the part of the buyer to use the proceeds of the commodity in payment of the note, except in cases of commodities or property sold on the installment plan; and in such cases no one would have the temerity to offer such paper for rediscount at a reserve bank.

I sell you a horse or a bale of cotton or an automobile for $500, and you give me your note at three months. I take the

note to my bank and discount it, and my bank rediscounts it with the Federal reserve bank. In 30 days you have an offer from another Senator to give you his note for $600 at three months for the same horse, which you accept in settlement, and discount the note with your bank, which in turn rediscounts it. This Senator, feeling he would rather have an automobile, and having an offer from another buyer, after 30 days' use, to give him a note for $500 payable in three months for the horse, concludes to sell, and discounts the buyer's note at his bank, which also rediscounts.

Now, the Federal reserve bank has $1,600 in commercial paper, three notes due at intervals of 30 days, and there is one horse worth $500 with which the self-liquidating process is to be effected. A "reductio ad absurdum." The truth is that this "self-liquidating" idea is a "catchpenny" phrase and does not exist in our banking methods. The nearest approach to it is in the case of international bankers who require payment under commercial credits which they issue against the delivery of "documents" which represent the title to imported goods; but even in these cases "trust receipts" are substituted for payment more frequently than otherwise.

Self-liquidation or payment at maturity of commercial paper as the basis for rediscounts and note circulation is a myth, and the recent experience of the Federal reserve banks and member banks proves this assertion to be true.

If the rediscounted "commercial" paper was self-liquidating there would have been no call for deflation of credit by the Federal Reserve Board, as the discount line of the member banks would have been automatically reduced, giving place for new rediscounts by the Federal reserve banks without any increase in the aggregate amount of such discounts.

It is because of the fact that the so-called commercial paper held by the Federal reserve banks is indirectly renewed and continued in force by the member banks, and is not self-liquidating, that the demand comes for deflation or reduction of the ever-increasing amount of "bank credit" represented by "bills and notes discounted" on one side of the bank's ledger as assets, and on the other side by "deposit or rediscounts" as liabilities.

It is apparent therefore that the liquidity of assets demanded for the reserve banks comes only from the short maturities of their discounted paper, the opportunity thus being afforded to require payment at short intervals, and not from so-called self-liquidation. Your bill provides for paper of short maturity. It is provided that the paper which the Federal reserve banks may rediscount with farm-loan bonds as collateral security shall be the obligation of a member bank, and that the maturity shall not exceed 60 days.

It should be noted that farm-loan bonds can not come into existence until they have behind them actual productive property, double in value the face amount of such bonds, and there is in consequence a limit to the amount which may be issued, while there is no limit to the amount of so-called commercial paper that may be issued; nor is there any means of preventing an unlimited amount of such paper from being issued with each transfer of the same identical property, thus duplicating paper as the representative of the full value of such property, with each transfer and issuance.

Now, which class of paper is likely to be most liquid in the hands of the reserve banks? That made by a member bank with farm-loan bonds as collateral security attached, or that made by a customer of the member bank with the bank's indorsement with no collateral attached? In both cases the member bank is the one to bear the burden in times of deflation, or when the reserve bank feels it necessary or desirable to reduce the amount of its circulating notes. In one case the member bank is limited to the maker and indorsers as the only source from which to collect. In the other case the member bank has the whole commercial world from which to collect, by a sale of the collateral; and it must be remembered that the privilege of rediscount which is asked will cause such a constant and general demand for these bonds that they will find a ready market at par, or at a premium, whenever offered.

Yours, very truly,

W. W. FLANNAGAN.

Mr. FLETCHER. To say, as we have said by law, that it is safe and advisable to authorize Federal reserve banks to rediscount paper of six months' maturity arising out of foreign-trade transactions, and contend that it is unsafe and inadvisable to authorize the rediscount of 60-day paper secured by farm-loan bonds attached as collateral, is ridiculous. The farmers' assets can be, in this way, safely and effectually made just as liquid as any strictly commercial paper. Here is the place to do something of real and permanent benefit to the farmers of the country.

I understand there will be opposition to the proposal, but I can see no justification for it.

It must be remembered the Supreme Court of the United States has held:

(a) That the Federal land banks were legally created as a part of the banking system of the United States; and

(b) That the bonds issued by the banks are instrumentalities of the United States Government and are exempt from Federal, State, municipal, and local taxation.

THE CHARACTER OF THIS SECURITY.

The 12 Federal land banks were organized by the Government with an original capital stock of $9,000,000, which has since increased through the operation of the system to over $24,000,000. The Government owns over $6,700,000 of this capital stock of these banks, the remainder of the stock being owned by the national farm loan associations, organized and provided for in the law. The United States Treasury has purchased over $183,000,000 of these Federal land-bank bonds. The banks are under the direction and control of the Federal Farm Loan Board, a bureau of the Treasury Department of the United States Government. These bonds are made lawful investments for all fiduciary and trust funds under the jurisdiction of the United States Government. They are eligible, under the laws of many of the States, for investment of all public and private funds, and in 37 States are eligible by law for investment by savings banks. They are acceptable by the United States Treasury as security for Government deposits, including postal-savings funds. They are obligations of the Federal land banks, all 12 of which are primarily liable for interest and ultimately liable for the principal on each bond. They are secured by collateral consisting of an equal amount of United States Government bonds, or mortgages on farm lands, which must be—

(a) First mortgages to an amount not exceeding 50 per cent of the value of the land and 20 per cent of the value of the permanent improvements as appraised by United States appraisers.

(b) Limited to $10,000 on any one mortgage.

(c) Guaranteed by the local national farm loan association, of which the borrower is a member and stockholder; this stock carrying a double liability.

(d) Reduced each year by payment of part of the mortgage debt.

It would be difficult to devise or create a better or safer security.

Why, then, should negotiable paper with these bonds as collateral not be eligible for rediscount by any Federal reserve bank? It seems to me there can be no argument to the contrary.

If it is made eligible for rediscount by Federal reserve banks new markets will be opened up for them, new demands will be created, there will be no difficulty about selling them, and that means there will be no difficulty about finding the money which the farmers of the country may need for their operations under this law.

OPPOSITION.

Strange as it may seem, there are people who would like to cripple this system. That is evidenced by this suit which was brought for that purpose. In fact, if the plaintiffs in that suit had won, they would have destroyed the system, and it is doubtful if Congress could have devised one that could take its place. In other words, there would have been no way to revive, reinforce, or patch up the farm loan act by legislation. Fortunately, they did not win, but their purpose is manifest, and if they can in any way interfere with the operation of the system they will do so. Not only that, but there are other people who would like to keep up the rates of interest for their own benefit, realizing that one effect of this system has been to cause a lower rate of interest, not only to farmers but all other borrowers, and they may be expected to exert themselves in attacks upon the farm loan act.

The Farm Mortgage Brokers' Association are moving in that direction. Not a little propaganda has been put forth in the nature of attacks upon the system, and especially the joint-stock land banks and the exemption features carried in the law.

There have been some 25 amendments offered to the farm loan act. I have no fear that anyone will propose a repeal of the act. That would not only be hopeless but almost criminal. There are other ways of accomplishing such a purpose as these enemies of the act have in mind. One of the ways will be through the process of amendments. A slight amendment here and one yonder and one somewhere else, apparently innocent, each in itself, might be offered and might be passed by Congress before it was fully realized what it all meant.

I refer to this by way of insisting that it is important that the friends of the farm loan act shall stand on guard to protect and preserve it.

The farm loan act has proven itself. It has been found in principle sound and in operation practical.

It is dangerous to tinker with its structure. Some amendments heretofore proposed have been wild, some merely unsound, and some positively vicious. It must be guarded in its integrity as a cooperative, workable, agricultural, financial, and banking scheme.

Its administration should be characterized by broad vision, clear understanding, good judgment, considerations of the common good, and a genuine abiding interest in agriculture. Bureaucratic methods should be studiously shunned.

It is necessary that its friends shall be diligent, watchful, and shall carefully scrutinize and cautiously examine every proposal to amend the act.

COOPERATION.

In view of this situation, I felt disposed to favor any cooperative effort on the part of the farmers of the country to establish some agency that would serve them in this direction. I believe in cooperation. I think many of the problems which face the farmers could be solved through cooperation.

One of their chief obstacles is a lack of some economic system of distribution. By developing a system of cooperation and organizing it seems to me they could devise a plan for orderly marketing of infinite benefit both to producers and consumers. Cooperation in the purchase of their supplies, their fertilizers, and all the things they have to buy, and cooperation in marketing their products is most desirable, if, indeed, it is not essential to their prosperity. I will not dwell upon that thought, but it leads to this: One of the compelling ideas in the minds of those who framed the farm loan act was that the local national farm loan associations should be a real, fundamental feature and factor in the system. It was thought these farm loan associations would develop this spirit of cooperation and that they would be most useful in every community in bringing together the people of each community, having them familiarize themselves with the business carried on by the association, become better acquainted, and form the nucleus of varied cooperative efforts. It was believed—and I still believe—that out of these farm loan associations would come for each community, through this sympathetic touch and common interest, better roads, better schoolhouses, better churches, telephones, postal facilities, and all the things which would make more attractive rural life.

People cooperate to obtain higher wages from employers. Commission men and retailers manage to keep up and obtain higher retail prices from consumers. Why can not farmers cooperate to obtain fair values for their products and otherwise promote their interests?

It is not difficult to point out unsatisfactory conditions. We can even specify the causes in many instances, but it is quite a different matter to present and put into operation a remedy.

For instance, we know the producer is receiving less than he should receive and the consumer is paying more than he should pay for farm products. We know the cost of transportation is too high. We know the method or lack of system in distribution is wasteful and too costly. Too many tolls by too many people pile up costs to the consumer, which go neither to the producers or to the carriers.

This is not the time to discuss those questions and we pass from them conceding the wisdom of Portia's observation:

> If to do were as easy as to know what 'twere well to do, all the chapels would be churches and all the poor men's cottages princes' palaces.

It will be remembered that the temporary organization of these Federal land banks was effected by the Farm Loan Board and the farm loan associations in that preliminary step had no voice in the selection of the directors of such banks. But thereafter the associations were to elect six of the directors (section 4).

It is with keen regret that there is noted a disposition to ignore and set aside these farm loan associations by the Farm Loan Board.

The temporary organization of the Federal land banks was, as proposed by that board, continued "so long as any farm loan bonds purchased from it under the provisions of this amendment shall be held by the Treasurer and until the subscriptions to stock in such bank by national farm loan associations shall equal the amount of stock held in such bank by the Government of the United States."

Congress authorized the purchase by the Secretary of the Treasury of farm loan bonds under the amendment of January 18, 1918, and the provision I have quoted was inserted in that amendment. At present, therefore, the national farm loan associations are not permitted to vote for the local directors in these land banks as originally provided in the act.

The Farm Loan Board seems to regard the national farm loan associations as a sort of fifth wheel and more or less of an incumbrance.

This spirit is manifested by the attitude of the Farm Loan Board toward the efforts of these farm loan associations to get together for the purpose of creating a central agency of their own choosing and under their direction to represent them in all matters affecting their rights and interests, which include the rights and interest of their members, who are borrowers, under the system, and watching and guarding the farm loan act against the insidious attacks, which, as I have indicated, they have reason to believe may be attempted.

These national farm loan associations conceived the idea of forming what they call a "National union of farm loan associations," with headquarters here in Washington, and their purposes and objects are stated in the printed circular which they have issued. I ask that the circular be printed in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The circular referred to is as follows:

NATIONAL UNION OF FARM LOAN ASSOCIATIONS,
Washington, D. C., April 25, 1921.

To all NATIONAL FARM LOAN ASSOCIATIONS:

This is to report to you the results of the meeting held in Washington, D. C., April 20 and 21, 1921, to effect a permanent organization of the National Union of Farm Loan Associations.

Two hundred and forty-two national farm loan associations were represented at the meeting either by delegate, by proxy, or by written authority.

A constitution and by-laws were adopted, a full set of officers and an executive committee were elected, and the selection of an advisory council was provided for, the constitution providing that the members of the Farm Loan Board shall be ex officio members of the advisory council.

A public meeting was held, which was attended by more than 500 farmers, which meeting was addressed by Senator ARTHUR CAPPER, of Kansas; Senator DUNCAN U. FLETCHER, of Florida; Master John A. McSparran, of the Pennsylvania State Grange; and Madame Agresti, former secretary to the late David Lubin, American delegate to the International Institute of Agriculture at Rome, Italy; and others. Letters and telegrams of indorsement were read from Hon. W. G. McAdoo and Hon. Gifford Pinchot and from former United States Senator Henry F. Hollis, whose well-known connection with the Federal farm loan act is familiar to you.

Following this public meeting, the National Farmers' Union and the National Board of Farm Organizations passed, unanimously, resolutions indorsing the National Union of Farm Loan Associations and requesting the Federal Farm Loan Board to withdraw its opposition to the formation of this organization.

The National Union of Farm Loan Associations, by resolutions unanimously adopted at its business meeting on April 21, is committed to the following program and purposes:

1. To support the Walsh bill (S. 273), which (a) authorizes national farm loan associations to form a national organization and to support the same by appropriation from their general funds, and which bill also (b) restores to the national farm loan associations the right to elect permanent directors of the Federal land banks, as originally provided for in the farm loan act.
2. To support the Fletcher bill (S. 620), which gives the right of rediscount with the Federal reserve banks of notes which have farm loan bonds pledged as collateral security, the effect of which will be to create a broad and steady market for farm loan bonds among all the commercial banks of the country.
3. To work for the passage of bills making farm loan bonds eligible as investment for the funds of the postal savings banks and war-risk insurance reserve, thus providing an additional market for many hundreds of millions of farm loan bonds.
4. To work for the passage of a bill to increase from $10,000 to $25,000 the maximum loan which a Federal land bank may make.

Now that the purpose of this organization is clearly defined, and you are fully apprised of the character and the nature of the work it is proposed to do, will you join with us in this sincere and carefully considered plan for preserving the fundamental principles of the farm loan system, and for improving and perfecting its operations so that its benefits may be available to every American farmer who has need of them?

If you desire further and more detailed information as to what occurred at the several meetings, you may secure the same by ordering a transcript of the stenographic report of the proceedings, in whole or any part, from the Law Reporting Co., of 17 East Thirty-sixth Street, New York City, the said company having reported these proceedings at its own expense.

Feeling sure that you are in full accord with the purposes of this organization, and that you recognize the necessity for immediate and concerted action, we are,

Very respectfully, yours,

EXECUTIVE COMMITTEE OF THE NATIONAL UNION OF FARM LOAN ASSOCIATIONS,

By M. ELWOOD GATES, *President.*

N. B.: The constitution provides that the executive committee shall be composed of two members from each district, but in order to give new membership opportunity for representation only one member from each district was selected at the meeting last week.

Mr. FLETCHER. Strange to say, the Farm Loan Board, immediately after steps were taken to form this union, notified the officers of these farm loan associations that "no business will be permitted to be done by the Federal land bank of your district with the national farm loan associations which join this union."

It was claimed by the Farm Loan Board that the directors of a national farm loan association had no right to appropriate $10 as its membership fee, or toward such a union, and they cited a decision of the Attorney General to that effect. It was then proposed to assess the members of the farm loan association which desired to become a member of this union for the purposes stated a small amount each—25 cents in one case—but the Farm Loan Board objected to that, and they apparently hold that the members of any association can not contribute individually as much as $10 a year in the aggregate toward an association or union which they feel is important as an agency to look after their interests and serve them in every way which they may lawfully ask and feel they require.

The Farm Loan Board advises each of these associations to the effect that it will refuse to recognize them; that the bank of the district in which they exist, respectively, is to have no transactions with them, and they threaten to direct that new associations be formed to take their places, and, in effect, they propose to take away the charters of these associations so far as future business is concerned and thus effectually destroy them. It seems to me that is a most remarkable position to take.

A typical case is presented in the affidavit and papers which I have here from Oregon. Without referring to numerous letters and communications from other portions of the country, I ask to have the affidavit and attached papers inserted as a part of my remarks, as illustrating what has been going on in connection with this matter which seriously affects some 4,000 national farm loan associations regularly organized and actively performing their work under the law.

The PRESIDENT pro tempore. It is so ordered, without objection.

The affidavit and attached papers are as follows:

AFFIDAVIT.

STATE OF OREGON, *county of Jackson:*

I, E. H. Hurd, residing at Medford, Jackson County, Oreg., of lawful age, being duly sworn, depose and say that I am now and have been ever since the organization of the Rogue River National Farm Loan Association, April 18, 1918, charter No. 346, dated July 2, 1918, secretary-treasurer of said farm loan association.

That at the regular adjourned meeting from January 11, 1921, held at the Odd Fellows' Hall, Rogue River, Oreg., Saturday, February 5, 1921, the attached resolution, marked "Exhibit A," and made a part hereof, was adopted by a unanimous vote of said stockholders, a quorum being present and voting.

That a certified copy of said resolution, duly signed by the president of said association and the undersigned secretary-treasurer, was sent to W. H. Joyce, member and acting secretary of Farm Loan Board, Washington, D. C., February 14, 1921; also a letter of the same date, a copy of which letter is hereby attached, marked "Exhibit B," and made a part hereof.

That we received acknowledgment of said letter and inclosures therein. That no objection at that time was made to this resolution or to the $10 membership fee to the National Union of Farm Loan Associations or to the $5 fee to the Oregon State Association of Farm Loan Associations, as shown by the report of G. A. Z. Harris, national farm loan association examiner, on the audit of books of above association, dated January 9, 1921, and the said resolution fully ratified the acts of the board of directors in the payment of above fees.

That the annual report of said association, together with said audit report, was approved. The resolution in regard to the initial charges for new members, the secretary-treasurer's salary, and fees for the annual and quarterly report were approved and a voucher issued for the payment of $5 for said annual report to the undersigned secretary-treasurer.

That not until after the reappointment of W. H. Joyce by President-elect Harding as a member of the Farm Loan Board was sent to the United States Senate and the informal call issued for a meeting of the proposed National Union of Farm Loan Associations at Washington, D. C., April 20, 1921, was anything further said or done about the said $10 fee.

That at said annual meeting of stockholders of Rogue River National Farm Loan Association February 5, 1921, herein referred to, the attached resolution, marked "Exhibit C" and made a part hereof, were duly adopted by the stockholders of said Rogue River Association.

That in accordance with said resolution the undersigned secretary-treasurer of said association forwarded a copy of same to Senators C. L. MCNARY and G. E. Chamberlain, also to Congressmen W. C. HAWLEY, "PAT" MCARTHUR, and N. J. SINNOTT, Washington, D. C., also an additional copy to Senator MCNARY, with a request that the same be presented to President-elect Harding on or about February 28, 1921. Senator MCNARY acknowledged receipt of said resolution marked "Exhibit C" herein, in which letter he states he would be glad to present the resolution inclosed to President-elect Harding.

March 17, 1921, we received from the Farm Loan Board the attached letter, marked "Exhibit D" and made a part hereof, which letter, as may be noted, was a general form letter made personal to myself as secretary-treasurer of the Rogue River Association; an identical copy of said letter was made personal to each of the seven directors of said association, to wit: A. R. Brashear, Frank H. Adams, J. C. Williams, J. M. Carlton, A. E. Dennis, A. B. Evans, E. E. Dimick. Each of said members received the said letter at the same time as the undersigned.

The undersigned, for and in behalf of said association, under date of March 17, 1921, replied to said letter; a copy of said reply is herewith attached, marked "Exhibit E" and made a part hereof.

That under date of March 23, 1921, W. H. Joyce, as member and acting secretary of said Farm Loan Board, replied to said letter to the undersigned, a copy of which is attached hereto and marked "Exhibit F" and made a part hereof.

That the said Joyce did not extend to the undersigned the courtesy of inclosing a copy of the letter written to the directors of Rogue River Association. A copy of letter referred to in "Exhibit F" is hereto attached, marked "Exhibit G" and made a part hereof. An identical copy of attached letter, marked "Exhibit G," with an identical copy of Attorney General Palmer's letter of December 21, marked "Exhibit G–1," is referred to in said "Exhibit G," was mailed to each of the directors of said association mentioned herein and received by them about March 29, 1921. All of which is true as I verily believe and know.

E. H. HURD.

Sworn and subscribed before me this 14th day of April, 1921.

[SEAL.] W. E. PHIPPS,
Notary Public for Oregon.

My commission expires October 2, 1923.

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EXHIBIT A.

A. B. Evans presented the following resolution and moved its adoption:

"Whereas sponsored by the National Board of Farm Organizations there is being organized a National Union of Farm Loan Associations; and

"Whereas the purpose of the national union is to present to Congress, the Farm Loan Board, and such other interests as may be necessary constructive efforts for the perpetuation of the Federal farm-loan system and to stimulate a more cooperative effort on behalf of the farm-loan organization; and

"Whereas through legislation the right of representation of farm-loan associations in the Federal land banks has been taken away; and

"Whereas the farmers, through their holdings in the national farm-loan associations, now own approximately $17,649,265 of the capital stock of the Federal land banks, and the Government's interest in said banks is only $6,832,680; and

"Whereas the organization of a national union is a benefit to the farmers through their national farm-loan associations; and

"Whereas there is in Oregon a State association of national farm-loan associations, which has been of inestimable benefit to the associations; and

"Whereas the board of directors of this association did, at a meeting of the board held November 29, 1919, unanimously vote to join the Oregon Association of National Farm Loan Associations, and authorized the secretary-treasurer to pay the membership fee of $5, and said fee was paid by said secretary-treasurer, and this association did become a member of said State association; and

"Whereas the board of directors of this association did, at a meeting of the board held October 27, 1920, unanimously vote to join the National Union of Farm Loan Associations, and did authorize the secretary-treasurer to pay the membership fee of $10, and said fee was paid by the secretary-treasurer, and this association did become a member of the National Union of Farm Loan Associations: Now, therefore, be it

"*Resolved*, That we hereby ratify the said acts of our board of directors in joining said associations and paying the membership fees therein in every particular, and further authorize our secretary-treasurer, in behalf of our association, to perpetuate our membership in said State Association of National Farm Loan Associations and National Union of Farm Loan Associations, and that the secretary-treasurer be authorized to pay such fees or dues or incidental expenses as may be necessary upon the order of the board of directors."

The foregoing resolution, being duly seconded by A. R. Brashear, was adopted.

By E. H. Hurd: I certify that the above is a true and correct copy of a resolution unanimously adopted by the stockholders of said association at its annual regular adjourned meeting, from January 11, 1920, to February 5, 1921, held at Rogue River, Oreg.

E. H. HURD,
Secretary-Treasurer Rogue River National Farm Loan Association.

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EXHIBIT B.

FEBRUARY 14, 1921.

In re Rogue River National Farm Loan Association, No. 346.

W. H. JOYCE,
Member and Acting Secretary Farm Loan Board,
Washington, D. C.

DEAR SIR: In accordance with your letter of December 10, 1920, with inclosures, I am herewith sending you duly certified amendment to the by-laws to the Rogue River Association, section 2, article 6, the annual report of said association, report of the annual election of directors and officers, also resolution in regard to payment of membership fees in State and national farm-loan associations.

In accordance with your letter of December 30, 1920, I am herewith inclosing you certified copies of resolution adopted by the board of directors of the above association in regard to initial charge for new members, also the fixed charges for secretary-treasurer's compensation as outlined in the forms you inclose. You will note that the board

has fixed a charge of $3 for transfer of membership in the association; also that the matter of deposits by new applicants to cover withdrawal charge made by the land bank of this section, which amount is left blank until we get the amount fixed by the land bank. We presume you will retain one copy of said resolution and return one to us with your approval of same or as approved by you. We trust that the associations will be receiving applications by the time this reaches you or soon thereafter.

Yours, very truly,

E. H. HURD, *Secretary-Treasurer.*

EXHIBIT C.

The following resolutions were unanimously adopted at the stockholders' meeting of the Rogue River National Farm Loan Association held February 5, 1921, which association has a membership of 26:

"Whereas on account of the pending litigation in the United States Supreme Court, which has been holding up the closing of many loans; and

"Whereas on account of the large number of unfinished loans on hand by this association, as well as practically every other farm loan association in the United States; and

"Whereas there is great need on the part of the applicants for the money for which they have applied; and

"Whereas there is a tremendous demand for money among the farmers and a great deal of loss will come unless these funds can be supplied; and

"Whereas the emergency act passed by Congress to relieve the situation only took care of all uncompleted applications up to and including February 29, 1921; and

"Whereas it is generally understood that there are several millions of dollars still unused which had previously been appropriated by Congress for the purchase of Federal land bank bonds for the purpose of relieving the situation; and

"Whereas the time that the United States Supreme Court will render its decision is uncertain and the need for funds on the part of the farmers is imperative at the present time; and

"Whereas the farmers through their farm loan associations now own $17,649,265 of the $24,579,225 of the capital stock of the 12 Federal land banks, and the Government now owns only $6,832,680 of the stock of the 12 Federal land banks; and

"Whereas the farmers who are the principal owners of the 12 Federal land banks are not now represented on the directorate of any of the 12 Federal land banks or on the Federal Farm Loan Board; and

"Whereas by an amendment approved January 18, 1918, the right was taken away from the farm loan associations to elect directors of the Federal land banks as was authorized by law, and that this amendment was passed without consulting the farm loan associations, and that the farm loan associations were not notified of the amendment until July, 1920; and

"Whereas there has been incurred a considerable expense on the part of our associations and all other associations in connection with pending applications; and

"Whereas by threats of prosecution and other intimidations in their circular letters to the associations, trying to stop the associations from forming themselves into a voluntary cooperative organization known as the National Union of Farm Loan Associations, which has been sponsored by the National Board of Farm Organizations and other farm organizations and associations and association interests, which association would give the farm loan associations the only voluntary means of the farm loan associations expressing themselves to Congress or otherwise; and

"Whereas by various rulings and restrictions the Federal Farm Loan Board is hampering the free action of the farm-loan associations and the cooperative feature of them; and

"Whereas by numerous other restrictions and rulings of the Farm Loan Board it is shown that to a very large extent the great cooperative feature which was intended in the enactment of the Federal farm-loan act is denied to the farmers who are now the principal owners of the business, and which business has been brought to a standstill through no fault of their own: Therefore be it

"*Resolved*, That we urge upon our Representatives and Senators in Congress the following special legislation:

"First. That the amendment approved January 18, 1918, taking away from farm-loan associations the right to elect six out of nine directors of each Federal land bank be immediately repealed.

"Second. That pending the decision of the United States Supreme Court relative to the constitutionality of the Federal farm-loan act, the United States Secretary of the Treasury be authorized and directed to purchase bonds issued by the Federal land banks.

"Third. That any legislation tending to restrict the directors and officers of farm-loan associations in the exercise of their duties as now prescribed in the Federal farm-loan act be resisted.

"Fourth. That to provide a better market for farm-loan bonds the provision which passed the Senate of the Sixty-fourth Congress which enacted the present Federal farm-loan act, but which failed the conference committee, be enacted into law:

"'Any bank of the Federal Reserve System may buy or sell farm-loan bonds; any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made or the direct obligation of such bank maturing within 60 days when accompanied by farm-loan bonds as collateral security not less in face value than the amount of such direct obligation shall be eligible for discount by any Federal reserve bank.'

"Fifth. That their influence be used with the Farm Loan Board to see that the right already given to farm-loan associations under the law to receive deposits to be used in the purchase of farm-loan bonds be put in operation.

"Sixth. That they support any legislation which will tend to give the agricultural interests more direct representation on the Federal Farm Loan Board.

"Seventh. Inasmuch as the official representatives of the National Board of Farm Organizations, the Farm Bureau, and Mr. W. W. Flannagan, secretary of the National Union of Farm Loan Associations, are very much in touch with the needs and situation in which the farm-loan associations are now placed, that consideration be given to recommendations suggested by them; and be it

"*Resolved further*, That we commend and give our support to the Oregon Association of National Farm Loan Associations and to the National Union of Farm Loan Associations; and be it

"*Resolved further*, That a copy of these resolutions be sent to our Senators and Representatives in Congress, to President-elect Harding, to Gov. Olcott, to representatives of different farmers' organizations at Washington, D. C., to Mr. W. W. Flannagan, secretary of the National Union of Farm Loan Associations, and that our secretary be authorized to present a similar set of resolutions for ratification and adoption by the next annual meeting of the Oregon State Association of National Farm Loan Associations."

EXHIBIT D.

TREASURY DEPARTMENT,
FEDERAL FARM LOAN BUREAU,
Washington, March 11, 1921.

Mr. E. H. HURD,
Secretary-Treasurer Rogue River N. F. L. A.,
Rogue River, Oreg.

MY DEAR SIR: I am directed by the Farm Loan Board to acknowledge receipt of your answer to our letter of inquiry of some days since relative to the use of national farm loan association funds for purposes other than those authorized by law.

We regret to know that your association has used $10 of its funds for the initial expense of joining the so-called National Union of Farm Loan Associations. We inclose you herewith a copy of the opinion of the Attorney General on this subject.

The Farm Loan Board does not question the good faith of you or of your associates, but the board can not evade its responsibility, and it must be governed, as must you, by the interpretation of the farm loan act by the highest legal authority of the Government, the Attorney General of the United States.

As you have been advised through the press, the Supreme Court on Monday, February 28, rendered its decision in our case which is a complete vindication of the constitutionality of the law under which we are organized. This, the board trusts, will make it possible, if farm loan bonds can be marketed in the present market, to renew active loaning operations in the near future.

The Farm Loan Board wishes it distinctly understood that no business will be permitted to be done by the Federal land bank of your district with national farm loan associations which refuse to obey the law as given to us by the Attorney General of the United States, and unless we are advised by April 1 that the resolutions authorizing this expenditure of $10 shall be rescinded in the proper manner and the $10 restored to the association funds, the Federal land bank of your district will be notified to cease doing business with you and to proceed at once to organize in the territory covered by the charter of your association a new association, or to recommend the extending of the territory of some other association of the community to take in the territory covered by your charter, in order that the needs of the borrowing farmers may be met, notwithstanding the attitude of your association.

A copy of this letter is being sent to the president and the directors of your association.

With the hope of having a prompt reply.

Very truly, yours,

JAMES B. MORMAN,
Assistant Secretary Farm Loan Board.

EXHIBIT E.

MARCH 17, 1921.

In re Rogue River National Farm Loan Association; paying of $10 membership fee to National Union of Farm Loan Associations.

JAMES B. MORMAN,
Assistant Secretary Federal Farm Loan Board,
Washington, D. C.

DEAR SIR: We have your letter of the 11th instant, together with a printed copy of a letter written by former Attorney General A. Mitchell Palmer, dated December 21, 1920, to the former Secretary of the Treasury. We are glad to note that we have a new administration, which gives us a new Attorney General and a new Secretary of the Treasury. Your letter makes no reference whatever to our letter of the 14th ultimo in regard to above association. With this letter was inclosed a copy of a resolution adopted by the stockholders of the Rogue River Association at their annual adjourned meeting of February 5, 1921, which resolution we ask your honorable board to carefully consider before issuing an order to the Federal land bank of Spokane to suspend the Rogue River Association.

We can not conceive of such a condition of affairs that your honorable board would arbitrarily, without warrant and authority of law, suspend the Rogue River Association. For your consideration we are inclosing you a copy of opinion of Hon. W. G. McAdoo, former Secretary of the Treasury and head of the Farm Loan Board, in regard to the question of the right of the farm loan associations to pay out of their general funds membership fee in the National Organization of Farm Loan Associations, December 29, 1920; also a copy of letter written by Hon. W. G. McAdoo to Hon. D. U. FLETCHER, United States Senate, Washington, D. C., on the 7th instant.

It is not conceivable that the actions of the Farm Loan Board as indicated in your letter of the 11th instant has any purpose other than to act as a scare to the farm loan associations of the United States—to prevent the proposed organization of a national union of farm loan associations, delegates to which are called to meet in Washington, D. C., April 20.

We wish again to call your attention to the resolution sent you under date of the 14th ultimo. We have your letter acknowledging receipt of same, and no objection was made to it; neither was any objection made to the report of Mr. Harris, examiner of national farm loan associations, other than your letter of the 17th ultimo, which only objected to the remuneration the directors allowed themselves, which matter has been taken up by the board of directors of the above association at its meeting on the 19th ultimo, a copy of which resolution I am herewith inclosing you for your approval. This resolution was made in anticipation of your letter of the 17th ultimo, as we had advised the board that no form of remuneration could be allowed under the law without the same first being approved by the Farm Loan Board.

We assure each and every member of the Farm Loan Board that so long as the undersigned is secretary-treasurer of any farm loan association no association will be allowed in any way whatever to violate the farm loan act, as far as can be prevented by the undersigned.

There is no question whatever as to the right of the stockholders of a farm loan association using its funds, other than the 10 per cent

reserve, in any way that it may see fit for the benefit of the association and its members, especially when same has been fully ratified by its stockholders, as was done in this case.

Yours, very truly,

E. H. HURD, *Secretary-Treasurer.*

EXHIBIT F.

MARCH 23, 1921.

Mr. E. H. HURD,
Secretary-Treasurer, Rogue River N. F. L. A.,
Medford, Oreg.

MY DEAR SIR: We acknowledge receipt of your letter of March 17 and have only to say that we have this day fully advised the officers of your associations of the position of this board, and further correspondence with you touching this particular matter is therefore unnecessary.

Very truly, yours, W. H. JOYCE,
Member and Acting Secretary Farm Loan Board.

EXHIBIT G-1.

DEPARTMENT OF JUSTICE,
Washington, December 21, 1920.

MY DEAR MR. SECRETARY: I beg to acknowledge receipt of your letter of November 18, 1920, requesting an expression of my opinion upon the question whether the board of directors of a national farm loan association has the power to use the funds of the association for the purpose of contributing to the expenses of the promotion and upkeep of another voluntary association, including salaries of paid representatives in Washington.

A national farm loan association is one of the agencies through which, under the Federal Farm Loan System, the capital of the Federal land banks is loaned to bona fide cultivators of the soil. Under the provisions of the Federal farm loan act such associations may be organized by 10 or more natural persons who are owners or about to become owners of farm land qualified as security for a mortgage loan and who desire money on the farm-mortgage securities (sec. 7). None but borrowers on farm-land mortgages can be members of such associations (sec. 8). Every member of such associations must also be a shareholder and is liable for the debts of the association to the extent of the amount of stock owned by him at par in addition to the amount represented by his shares (sec. 9).

No loan can be made through a national farm loan association without the unanimous approval of the association's loan committee (sec. 10). If the bank makes the loan, the money is paid to the borrower through the agency of the national farm loan association, which becomes liable to the bank for the payment of the loan (sec. 11).

From this statement it is quite clear, I think, that the only purpose for which a national farm loan association can be formed is for the purpose of acting as an agency through which loans are made by Federal land banks to its members. All of its assets constitute a guarantee fund for the liabilities of its members and can be diverted from that purpose only so far as authority to do so is granted by the act. These associations have not been expressly authorized to use their funds for the purpose of contributing to the expenses of the promotion and upkeep of other voluntary organizations, and I do not believe that authority to do so can be implied as reasonably necessary to enable them to accomplish the objects of their creation. I am therefore of the opinion that your question must be answered in the negative.

Respectfully,

A. MITCHELL PALMER,
Attorney General.

The honorable the SECRETARY OF THE TREASURY.

EXHIBIT G.

TREASURY DEPARTMENT,
Washington, March 23, 1921.

Mr. A. B. EVANS,
Director Rogue River National Farm Loan Association,
Rogue River, Oreg.

MY DEAR SIR: The Farm Loan Board has had considerable correspondence with your secretary-treasurer, E. H. Hurd, relative to the action of your association in using association funds in the amount of $10 in payment of your association's initiation fee to the so-called national union of farm loan associations. The Attorney General of the United States has held that the use of association funds for purposes of that kind is without authority of law. His opinion is herewith inclosed for your information. This board, as well as officers of the banks and of associations, have no alternative than to follow the law as interpreted to us by the chief law officer of the Government. The fact that lawyers without official standing or persons unconnected with the Department of Justice hold views contrary to those expressed by the Attorney General does not alter the case.

In a letter to Mr. Hurd, under date of March 11, the board pointed out very distinctly to him the consequences to your association if it should continue to refuse to abide by the opinion of the Attorney General, and we did this in the following language:

"The Farm Loan Board wishes it distinctly understood that no business will be permitted to be done by the Federal land bank of your district with national farm loan associations which refuse to obey the law as given to us by the Attorney General of the United States, and unless we are advised by April 1 that the resolutions authorizing this expenditure of $10 shall be rescinded in the proper manner and the $10 restored to the association funds, the Federal land bank of your district will be notified to cease doing business with you and to proceed at once to organize in the territory covered by the charter of your association a new association, or to recommend the extending of the territory of some other association of the community to take in the territory covered by your charter, in order that the needs of the borrowing farmers may be met, notwithstanding the attitude of your association."

The board does not believe that you, as an officer of your association, are fully advised of the situation, and before we issue directions to the Federal land bank to cease doing business with you and to proceed at once to organize another association in the territory now covered by your charter or to extend, if that is feasible, the territory of some other association to take in your community, we felt it only just to you that you should be advised fully of the situation. The board has a very distinct duty to perform and it is going to do it without any hesitation, and such associations as are not willing to conform to the law as it is given to us by the Attorney General will not be permitted to do any further business through the system. If, therefore, it is your desire to participate in the business which we hope soon again to resume, we would suggest that you put your association in position to do so and that we be notified of that fact at the earliest possible date.

Copy of letter sent to Mr. Hurd to-day is herewith inclosed.

Yours, very truly,

W. H. JOYCE,
Member and Acting Secretary Farm Loan Board.

Mr. FLETCHER. Such action as is threatened by the Farm Loan Board would mean the destruction of the farm-loan associations arbitrarily and at will—in effect, the confiscation of their property rights, the enforced forfeiture of all their interests and privileges, some of which I will enumerate, as well as the similar results as to the rights and interests of their shareholders—simply because they saw fit to establish an agent which they considered would be helpful to them in connection with their business and affairs. Such action would be indefensible, such an attitude untenable, such a threat preposterous.

Of course, the Farm Loan Board is absolutely without any authority or power to do what they threaten, and it is most unfortunate that they should take the position which they do take in this matter. This union is not antagonistic to the Farm Loan Board. It desires to cooperate with the board.

These national farm-loan associations are an essential part of the system, their members are vitally interested, involved financially and otherwise, and they look upon this farm loan act almost as a sacred thing, and they want to see it executed, its provisions administered in the broadest, most energetic, and efficient way. They want to be helpful. Why the Farm Loan Board should undertake to arbitrarily trample upon these farm-loan associations is beyond my comprehension.

Let us see what they are:

(1) Each farm-loan association is a corporation. Its articles of incorporation are executed and filed, and it is duly chartered. It has a board of five directors—president, vice president, and loan committee of three. It has a secretary-treasurer, who is entitled to compensation. It has duties and responsibilities prescribed by law—not by any regulation of the board, but by law.

(2) It holds stock in the Federal land bank of the district in which it exists. Each association shall be entitled to one vote for each share of stock held by it.

(3) Upon receipt of its charter it is authorized to receive sums to be loaned to its members. It must take stock to the amount of 5 per cent of each loan in the land bank, and it is entitled to receive dividends on that stock.

(4) The members of each national farm-loan association must subscribe for stock to the amount of 5 per cent of his loan, in the association, each member must be a borrower, and each borrower is entitled to dividends on the stock.

(5) Each association must provide for the increase of its capital stock, and is entitled to one-eighth of 1 per cent semiannually upon the unpaid principal of loans.

(6) The shareholders in these associations are held, under the law, individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association to the extent of the amount of stock owned by them, at the par value thereof, in addition to the amount paid in and represented by their shares.

(7) The law further provides that the reasonable expenses of the secretary-treasurer, the loan committee, and other officers and agents of national farm-loan associations, and the salary of the secretary-treasurer shall be paid from the general fund of the association, and the board of directors is authorized to set aside such sums as it shall deem requisite for that purpose and for other expenses of such association.

(8) The powers of national farm-loan associations are expressed in section 11 of the act.

SEC. 11. That every national farm loan association shall have power—

First. To indorse, and thereby become liable for the payment of, mortgages taken from its shareholders by the Federal land bank of its district.

Second. To receive from the Federal land bank of its district funds advanced by said land bank, and to deliver said funds to its shareholders on receipt of first mortgages qualified under section 12 of this act.

Third. To acquire and dispose of such property, real or personal, as may be necessary or convenient for the transaction of its business.

Fourth. To issue certificates against deposits of current funds bearing interest for not longer than one year at not to exceed 4 per cent per annum after six days from date, convertible into farm loan bonds when presented at the Federal land bank of the district in the amount of $25 or any multiple thereof. Such deposits, when received, shall be forthwith transmitted to said land bank, and be invested by it in the purchase of farm loan bonds issued by a Federal land bank or in the first mortgages as defined by this act.

The third paragraph of this section has been amended, but the language given remains.

In the face of the express provisions of the law creating these associations, separate, corporate entities, with rights and privileges, it is a bald assumption of authority to ignore them or, in effect, take away their charters. They have express authority to acquire and dispose of such property, real and personal, as may be convenient or necessary for the transaction of their business. They have express authority to select officers and agents and to pay them and other expenses of such associations.

To assert that these associations can not create an agent, such as a union of farm loan associations, and incur the expense of $10 toward its maintenance, in connection with their business and their work, and in furtherance of their rights and interests, is to misconstrue the law. When they have power to acquire and dispose of property, real or personal, which may be necessary or convenient for the transaction of their business, it is absurd to say they can not appropriate $10 out of their general fund, or raise it by special assessment, or any other reasonable sum, for purposes which they deem helpful and beneficial in their work or business.

These associations can meet once a month if they like, and appropriate money for the purpose of having a picnic, or for the purpose of hiring a boat and going fishing. It would be all the better for them if they did this. That would be in accordance with the spirit of the law. These farm loan associations should be on the order of community centers.

Another important matter for consideration is the rights of the members of these associations. They can not be taken away by the Farm Loan Board. All the power the Farm Loan Board has is provided in section 17, namely supervisory powers. They have the same power over the banks as they have over farm loan associations. Who would contend that the Farm Loan Board can abolish one of these district land banks, close it up and declare it shall do no more business?

The law in section 4 gives these farm loan associations the right to elect six out of nine directors of these Federal land banks. That has been changed by the amendment to which I have referred, but that is not intended to be a permanent change. This right is suspended for a while longer. That is all. This right ought to be restored to them, and will, I believe, in due course. With the power to name three of these directors by the Farm Loan Board, the Government's interest is fully protected; and certainly the stockholders, owning $17,000,000 out of the $24,000,000 of capital stock, ought to have the right to elect the other six directors.

The position of the Farm Loan Board as set out in the Oregon case mentioned and also in the letter from Mississippi, which I ask to insert, is absurd, and I trust they will recede from that position and without question, but with real enthusiastic welcome, accept the offers of this agency, lawfully and properly created by the farm loan association, as expressed in the letter of President Gates to the commission, dated April 26, which I also ask leave to place in the RECORD. So far as I am advised, there has been no reply to this letter.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

CHARLESTON, MISS., *April 4, 1921.*

Senator DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: I am in receipt of your letter of the 31st, and I certainly appreciate the interest you are taking in the organization of the National Union of Farm Loan Associations. I have been trying to get the associations in this State to join this organization, but have been up against a hard proposition on account of the Farm Loan Board and the Federal land bank being against it, and making all kinds of threats against associations that joined. I have just received a telegram from the Farm Loan Board stating that it would instruct the Federal land bank of my district not to accept any more applications from my association unless I complied with their wishes in this matter. I realize the great importance of the associations joining this organization, but I do not want to do anything that will keep the farmers in my territory from getting loans, as they need it worse than they have ever needed it before. Can not Congress give us some relief from the power that the Farm Loan Board is using and are taking all the rights away from the associations? The secretary-treasurers of the local farm loan associations are the men who get the business for the Federal land banks, but get very little consideration from the Farm Loan Board and Federal land banks. I will be glad to hear from you in this matter, and again thanking you for the fight you are making in the interest of our farmers.

Yours, very truly,

JOHN N. SULLIVANT,
Secretary-Treasurer Tallahatchie National Farm Loan Association.

APRIL 26, 1921.

Hon. CHARLES E. LOBDELL,
Commissioner Farm Loan Board,
Washington, D. C.

DEAR SIR: The constitution of the National Union of Farm Loan Associations provides for an advisory council in the following words:

"ART. X. There shall be an advisory council selected by the executive committee which shall consist of well-known prominent men identified with the welfare of the farming interests of the country and friendly toward the farm loan act.

"The members thereof shall be consulted at all times available by the members of the board of delegates and of the executive committee and their friendly advice sought, especially with reference to legislative matters. Any member thereof shall be entitled to a seat at all meetings of the board of delegates and at the annual and special meetings of the national union. The individual members of the Federal Farm Loan Board shall be ex officio members of the advisory council."

In pursuance thereof, on behalf of the executive committee and under its instructions, I beg to express the hope that you will accept membership on the advisory council and give us the benefit of your counsel and advice.

An impression seems to prevail among the members of the Farm Loan Board that the purpose of the national union is to antagonize said board and question its supervisory authority under the farm loan act.

I beg to assure you that such is not the case, but that, on the contrary, it is the earnest desire of the members of the national union to encourage the most friendly relations with said board and to support it in the exercise of all its legal functions to the fullest extent.

We believe that we can be of service in furthering legislation to perpetuate and increase the great benefits conferred upon the agricultural interests of the country by the farm loan act by supporting and encouraging the cooperative spirit of that act as expressed through the organization of the national farm-loan associations, and it shall be our earnest purpose to cooperate with the Farm Loan Board with that end in view by all proper and legal means in our power.

Yours, truly,

M. ELWOOD GATES, *President.*

Mr. FLETCHER. It has not been my intention to criticize, much less reflect upon, the Farm Loan Board. Most of its members I am proud to regard as my warm personal friends, for whom I entertain the highest respect and esteem. Their faithful and effective public service in other fields is well recognized and worthy of all praise. I must believe they have misconceived or misjudged the purpose and character of this proposed agency of the national farm-loan associations.

They must know by this time that the people behind the movement to establish the National Union of Farm Loan Associations as their representative in the matters with which they have cooperated to charge it and those directing its activities are sincere friends of the farm loan act and earnestly desire the most harmonious relations with the Farm Loan Board. They may be assured that the union hopes to act in full accord with the board, but if that is not possible as to every detail such honest difference as may arise shall be openly considered in order that rational conclusions shall be reached in the best interest of all concerned. Any antagonism or conflict should be avoided and would be deplorable, because, if for no other reason, that would bring joy to the enemies of the farm-loan system.

The responsibility for any such consequences must rest with the Farm Loan Board, since there are rights and interests of the farm-loan associations, as corporate entities, and of their members or shareholders which can not be taken away by any orders or action of the board.

These associations can not be crushed by a course of procedure which would render them dormant and inactive. That would be in violation of the law and would be based on a perversion of the power of supervision and an assumption of authority never granted.

I hope and believe the Farm Loan Board and the farm-loan associations will work in complete agreement, with the spirit and determination to make the farm loan act serve in full measure the beneficent purposes intended and accomplish the vast benefits which the pronounced success already experienced should adequately guarantee.

In the Farmers' National Magazine of April, 1921, is an article by Dr. Paul Wilkie entitled "Farm-loan system has given service," which is a very conservative, intelligent, and admirable statement. I ask to make it a part of my remarks.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

[From the Farmers' National Magazine.]

"FARM LOAN SYSTEM HAS GIVEN SERVICE—AGRICULTURE NEEDS FUNDS—PRESENT FARM LOAN SYSTEM HAS GIVEN VALUABLE SERVICE—FARM MORTGAGE BANKERS ARE PRINCIPAL OPPONENTS—AMENDMENTS AND CHANGES SHOULD BE MADE BY FRIENDS OF SYSTEM TO INCREASE ITS POWER OF SERVICE—UNITED EFFORTS WILL PROTECT AGAINST INJURIOUS CHANGES.

[By Paul Wilkie.]

"Word comes from Washington to the effect that certain Republican leaders in Congress have said that the Federal farm loan act is to be rewritten.

"For more than a year threats of changes in the law have been heard, but the attacks upon the system have been so much in the nature of a scattering fire that it has been difficult to tell just what provisions of the act are to be first assailed.

"However, friends of the farm loan system never have been deceived as to the chief objective of the enemy. Though the farm-mortgage bankers have attacked first one part of the system, then another part—concentrating at one time on the Federal land banks, at another time on the national farm loan associations, and at still another time on the joint-stock land

banks—all friends of the law now see clearly that the attacks—like those of the Germans on the eastern front—have been shifted from time to time merely in an effort to find the weakest point in the line of defense and that the real object of the farm-mortgage brokers is to destroy the farm loan system as a whole.

"FRIENDS OF SYSTEM UNITED.

"Accordingly friends of the act are now prepared to present a united front in defense of all parts of the system, realizing that if the mortgage brokers succeed in killing off any part of the system they will then proceed at once to destroy whatever remains.

"The nature and purpose of the attack upon the farm loan system and the attitude of the friends of the system were aptly described in a story told by Charles A. Lyman, secretary of the National Board of Farm Organizations, at a recent meeting of a group of friends in Washington. Mr. Lyman told of the testimony of Knute Knudson in a suit brought by the widow of Ole Oleson against a railroad company to recover damages for the death of her husband. Asked to describe just what happened, Knute said, 'Vell, ve all ver valking down der drack dalking aboud the crops, ven I heard a derrible noise and den a train whistled, and I looked around and yumped just in time to get off the drack. The train went by but I didn't see Ole anywhere. I called to him, but he did not answer. I walked up the drack a ways and I found Ole's foot. A little further on I found Ole's arm. By and by I found Ole's head. Then I said, "By golly, something has happened to Ole."'

"This story seems to have a very pat application to the present attack upon the farm loan system by the farm mortgage bankers, and the fate of Ole seems to forecast the fate which the farm mortgage bankers intend to mete out to the farm loan system.

"Mr. Lyman seemed to give voice to the general judgment of those present that when it was found first that the mortgage bankers were attacking the Federal land banks and a little later that they were attacking the national farm loan associations and that finally they were attacking the joint stock land banks, the conclusion was inevitable that something was about to happen to the farm loan system.

"REASONS FOR OPPOSITION.

"There is no question about the intent of the farm mortgage bankers, and viewed from their standpoint there is no doubt that the old-style mortgage men have a very sufficient reason for their opposition to the banks of the farm loan system. During the three years that these land banks—Federal land banks and joint stock land banks—have been in actual operation farmers have borrowed almost half a billion of dollars on the long-term amortized plan, at low rates of interest and without paying a single dollar in commissions. It has been estimated by those operating these banks that the farmers of America already have been saved more than $10,000,000 in interest and as much as $10,000,000 in commissions. And, of course, the money that has thus been saved to the farmers in interest and commissions has been lost to the farm mortgage bankers. This is the concrete reason for their opposition, no matter what high-sounding phrases they may use as the excuse for their attacks upon the law and the banks.

"FEATURES OF FARM LOAN SYSTEM.

"If the friends of the farm loan system are to put up a united front against the common enemy the various parts of the system must get together and find a common basis for friendly cooperation.

"The farm loan act provides for two plans of borrowing—one known as the cooperative plan, the other known as the direct-borrowing plan.

"Under the cooperative plan farmers who desire to borrow are required to form cooperative associations and buy stock in the Federal land banks. These farmer stockholders have a voice in the management of the banks and participate in the profits.

"Under the plan of direct borrowing, the farmer may secure his loan by applying directly to a joint stock land bank, without the necessity of forming a cooperative association. The stock of these banks is subscribed by private individuals who may be borrowers but are not required to be borrowers.

"None but the stockholders, of course, have a voice in the management of a joint stock land bank and none but the stockholders participate in the profits.

"Under both plans the rates of interest are limited by law (the same limitation applying to the banks of direct borrowing that apply to the cooperative banks) and commissions are prohibited. In other words, under either plan of borrowing provided by the farm loan act the borrower is protected against usurious rates of interest and against commission charges in every and all forms.

"NO INJURIOUS COMPETITION.

"The Farm Mortgage Bankers' Association of America has expended considerable energy and much money in an effort to make it appear that the banks under the direct-borrowing plan are in competition with the cooperative banks. And as a matter of fact there is a mild degree of competition between the banks of these two plans. However, it has not been and need never be injurious to the banks operating under either plan. On the contrary, a little competition may be good for the esprit de corps of both kinds of banks.

"It will be recalled that the Federal land banks are not permitted to lend more than $10,000 to a single individual and that the joint stock land banks are permitted to lend as much as $50,000 to a single individual. The suggestion has been made—and has some merit—that the Federal land banks should be permitted to lend as much as $25,000 to a single individual. A suggestion also has been made that there should be a dividing line as to the size of loans which each type of bank could make, so that there would be no overlapping and, therefore, no real competition. In other words, if the Federal land banks are not to be allowed to lend more than $10,000, then the joint stock land banks should not be allowed to lend below that amount.

"This is not a matter that is difficult to adjust, and doubtless is one which could be readily disposed of at a conference between the presidents of the Federal land banks and the joint stock land banks, the conference to be presided over by the members of the Farm Loan Board.

"FIELDS OF SERVICE DISTINCT.

"However, there are distinct fields of service for each kind of bank, the distinction arising from the differences in the preferences of farmers as to the plan of borrowing they desire to use.

"In a general sense there need be no competition between the joint stock and the Federal banks, because neither type of bank has been able to furnish one-half the loans for which farmers have applied, and both banks have had to refuse loans on account of lack of funds.

"Agriculture needs and will need all the funds that can be supplied for many years to come. Farmers should guard against the loss of any agency that can make loans on the long-term amortized plan at low rates of interest. Therefore the friends of the various parts of the farm loan system will do well to pool their interests and present a united front to the common enemy. With the friends of the system united, there is little danger that any injurious amendment to the farm loan act will pass either House of Congress."

Mr. NEW. Mr. President, a parliamentary inquiry. Is an amendment to the bill under discussion in order at this time—not a committee amendment?

The VICE PRESIDENT. It is in order to offer the amendment; then it can be moved at some future time.

Mr. NEW. In that case, Mr. President, I send to the desk an amendment, with the request that it be printed and lie upon the table until it is in order.

The VICE PRESIDENT. That order will be made.

Mr. MOSES. Mr. President, a parliamentary inquiry. Has any committee amendment been disposed of?

The VICE PRESIDENT. It has not. The question is on the amendment reported by the committee.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Borah	Harrison	McKellar	Shields
Broussard	Heflin	McKinley	Simmons
Bursum	Johnson	McLean	Smoot
Calder	Jones, N. Mex.	McNary	Spencer
Capper	Jones, Wash.	Moses	Stanfield
Caraway	Kellogg	Nelson	Stanley
Curtis	Kendrick	New	Sterling
Dillingham	Kenyon	Nicholson	Sutherland
Elkins	Keyes	Norris	Swanson
Fletcher	King	Oddie	Trammell
Gerry	Ladd	Overman	Underwood
Glass	La Follette	Phipps	Wadsworth
Gooding	Lenroot	Poindexter	Walsh, Mass.
Hale	McCormick	Pomerene	Warren
Harris	McCumber	Sheppard	Willis

The VICE PRESIDENT. Sixty Senators having answered to their names, a quorum is present. The question is on agreeing to the committee amendment.

Mr. HARRISON. Mr. President, is not some one on the other side of the aisle going to discuss this very important bill?

There have been only two speeches made on the majority side in defense of this proposed legislation, both very short. Is no one going to explain its provisions this afternoon?

Mr. McCUMBER. Mr. President, everything has been fully explained as to the additional matters that have been added to the bill. The agricultural schedule was discussed for about a month last winter, and that schedule has not been changed in a single item or a single expression. Inasmuch as that has been so fully covered, and the Senator from Mississippi discussed it so long, especially the provision relating to sugar, during the last session, we have felt that it was unnecessary to go over and rehash what it had already taken us two months to go over. I do not know of anyone on this side who wishes to discuss the other provisions of the bill.

Mr. HARRISON. Of course, I can understand why Senators on the other side of the aisle do not want to discuss and defend the agricultural section of the bill.

Mr. McCUMBER. We have done it once; there is no need of doing it twice.

Mr. HARRISON. The Senator from North Dakota at the last session of Congress was the only one who attempted to defend the proposition at all, and he discussed only the wheat item. It is so iniquitous that I congratulate the Senators on the other side of the aisle on the policy they have adopted of trying to let the measure go through without saying anything about it.

But, Mr. President, the Senator from Rhode Island [Mr. GERRY] is prepared to discuss the bill this afternoon.

Mr. McCUMBER. We shall be very glad to hear of the iniquity of the measure from the Senator from Rhode Island.

Mr. JONES of New Mexico. Mr. President, I understand it has been announced that there will not be any amendment made to the tariff features of the bill, but notwithstanding that statement I propose an amendment placing a duty upon hides. I ask that it be printed and lie on the table.

The VICE PRESIDENT. That order will be made.

Mr. GERRY. Mr. President, during the last session of Congress I discussed in detail the different provisions of the so-called emergency tariff bill and went into the subject matter of it very thoroughly, and gave rather exhaustive statistics.

Under these circumstances I do not intend to again consider those features of the bill in that way. It would be a mere repetition and unnecessary, as the bill we now have before the Senate is in the provisions relating to a tariff on agricultural products identical with the bill considered at the last session.

The difference between this bill and the former one lies in the antidumping provision, and also in the addition of a provision prolonging the present regulation as to dyes and chemicals. The bill is such a hodgepodge and so unsound in every principle of scientific tariff legislation that it is hard to know where to begin to attack it.

As originally conceived in the House the measure was very much shorter and dealt with a much smaller number of industries. After it was rushed through there, with practically one day's debate, it came over to the Senate and hearings were held by the Finance Committee, and for the obvious purpose of obtaining more friends for this bill additional duties on other commodities were added, thrown together, I might say, and the result was the present monstrosity.

I am very sorry that the majority did not deem it wise to abandon this legislation, at least temporarily, and take up what the country was really expecting, namely, a revision of the revenue laws. There can be no doubt that it is for the best interests of business communities and the country as a whole that the present revenue laws should be revised, and revised as soon as possible. The legislation was war-time legislation, passed with war conditions in mind, and with the idea that it would be amended as soon as the war was over.

The Democratic Party made some revision before it went out of power, against the opposition of our friends on the other side, and proceeded to reduce the taxes in certain important particulars. When the present majority party came into power it was with the understanding that they would revise that legislation. They had control of both Houses of Congress, and it was for them to take the situation in hand and do what was unquestionably for the best interests of the community. President Wilson advocated the revision of the law, but no heed was paid to his request. It was evidently the idea of the majority party that it was better politics to leave the present high taxes on the statute books. Probably politically they were wise, but as to the statesmanship of such a course there can be but one conclusion.

Now that it is proposed to revise the revenue legislation later, I say that I regret it is not to be taken up immediately and considered before the tariff, so that the country could have an opportunity as soon as possible to receive the help that would come to business from such action. The folly of the present policy is more than ever brought out and emphasized when we realize the difficulties of drafting any tariff legislation at this time. Heretofore when a tariff bill has been considered America has always been a debtor Nation. Now we are a creditor Nation, with a great supply of gold in our Treasury; in fact, there is so much gold in this country that we do not desire to increase it.

To-day Europe owes us something like $10,000,000,000, which she must either pay us in gold or in commodities. She must either export commodities to us and in that way help change the balance of trade, or she must pay us in gold, which she can not do. The proposition is perfectly simple, and every banker in the country knows that there is no other way to remedy the present condition than to stabilize foreign exchange. Apparently our friends upon the other side are still of the belief that a tariff is the panacea for all ills, and that it will immediately commence to cure business conditions and make the country once more prosperous. In fact, at the other end of the Capitol one of the Republican leaders has even gone so far as to intimate that he would be willing to forego the debt owed us by our allies if by so doing he would be able to keep America a high-protection country. It seems to me that no better example than that could be given of the extreme to which the friends of protection are willing to go, but of course such a policy will not be followed, and our debts will be paid us by our allies, for the political leaders and the country at large would not be satisfied with any other course.

The pending bill places duties that are really prohibitive, duties higher than those in the Payne-Aldrich tariff bill, on practically all the necessities of life, the food we eat, and the clothes we wear. If we glance through the bill for a moment and look at the articles enumerated we will see that there are duties on wheat, corn, beans, potatoes, onions, rice, cattle, sheep, even frozen meats, "meats of all kinds," as well as cotton, wool, sugar, butter, cheese, milk, condensed milk, and tobacco, so that from the time the consumer sits down to the time he leaves the table and has his smoke everything is to pay an additional tax.

In other words, if the theory of the bill is correct, the American people are to pay the losses, which the western farmer is now suffering because of the world condition. The manufacturer, the ordinary individual in business, is not to be reimbursed for what he is losing on account of the war with Germany, but the farmer must be taken care of, so he is to have special legislation and the rest of our people are to pay for it.

As I called attention in my former speech, this is an appalling conditions of affairs, especially to those of us who come from New England and the Eastern States. To-day there are 3,000,000 to 5,000,000 people out of work in the country. In my own State of Rhode Island the Government statistics show that something like 21,000 people are out of employment. My own information is that there are a great many more than that who are not working anything like full time. One can not pick up a financial paper without reading comments on the condition that exists to-day, and then the hope is expressed that it will improve, followed by long articles telling how this can be accomplished, and general statements made evidently with the idea of trying to keep a good face with a deplorable condition. But how can we expect conditions to improve, how can we expect the laboring man to look with any satisfaction or degree of acquiescence upon the situation or without a strong feeling that injustice is being done him when his wages are being reduced and his cost of living is attempted to be increased?

The only way that it will be possible with any degree of fairness to reduce wages will be also to do everything possible to reduce the high cost of living. Just as soon as the last election was over wages were reduced pretty generally throughout my State. What the connection was between the two I leave to the workingman to decide. However, the fact remains that all through the industrial centers there has been a reduction in wages that is continuing and will probably continue for some time to come, and yet the first important financial bill that is brought in for the consideration of the Senate is a bill to place duties on the necessities of life and to increase the already high cost of living which must naturally follow if the theory of the bill is successful.

I do not believe that the bill will work out as its proponents think it will. I do not believe that we are going to regulate very easily the price of these commodities and that we are going to obtain revenue from commodities which we export in tremendously greater quantities than we import. I am inclined to think, although I can not speak with the authority of a western man, that the reason there were some large importa-

tions of Canadian wheat into this country last fall was because the Canadian farmer was advised to sell at the then market price and the American farmer was advised to hold his wheat. The result was that the miller had to obtain wheat, and he naturally bought it from the people who were willing to sell. The Canadian surplus of wheat was disposed of, and the American farmer had his wheat left on his hands.

Wheat is only one of the many articles that are covered in the bill which we export in tremendous quantities and whose prices are really determined in foreign markets. The price of wheat is determined in Liverpool, not in Minneapolis. Corn is one of America's greatest agricultural staples, and it seems as absurd to place a duty upon it as it does to place a duty on some of the other commodities enumerated. But the framers of the bill were not satisfied with protecting the farmer and went a step further and put a duty on frozen beef and a duty on sugar. In my opinion, the people who are really going to profit from this legislation are not going to be the farmers, but the middlemen, the Beef Trust, and the Sugar Trust. Thousands and thousands of carcasses of sheep are already stored in our warehouses, and yet the public has received very little benefit from this increased supply. If an increase in supply does not bring about a lowering of price, the middleman must be having something to say about what shall be the retail price. It seems to me that he, and that these great trusts like the Sugar Trust and the Beef Trust, are going to see that if there is any opportunity of raising prices on account of the new tariff that they will get the first and full advantage of it, and if the farmer gets anything it will, indeed, be a matter of surprise.

There is another fact to be considered in connection with this proposed legislation, and that is that as we are taxing all raw materials we are really lowering the tariff on the manufactured products. The result is that we are not only hitting the necessities of life, but we are also changing the duties on the finished product, doing so without any scientific consideration or upon any sound basis.

There is no question that a measure such as this is very apt to produce retaliation in foreign countries that are good customers of the United States. Canada is a very good customer of ours and her exports of wheat to this country have been small, compared with the things which she purchases from us. The Argentine is already talking of retaliation, and, as the matter has been reported in the press, attention is called to the fact that, while our President has been expressing his faith in the Monroe doctrine, and emphasizing our regard for our neighbors to the south of us, one of the first things we do is to place a high protective duty upon the statute books that can not fail but react on the exports they wish to send us.

Mr. President, there is also the danger that, if this tariff bill works out as its proponents contend, the consumers of the country will continue what they commenced after the recent war, namely, a strike against buying, which can not fail to have a retarding influence upon our return to prosperity.

But enough of the agricultural features of the bill. I now wish to turn for a few moments to the provisions of the measure which are contained in the antidumping sections. This is a new feature of the bill, and was apparently added in order that it might afford a new method of extending protection, probably with a hope that it might attract support from other sections of the country.

The mere fact that the little amount of dumping from which we suffered directly after the war is now over does not apparently appeal to the framers of the bill. The statistics show that to-day we are not suffering at all from commodities being dumped into this country. In spite of that section 201 gives the Secretary of the Treasury the power, which he can delegate, to investigate, and if he finds that any industry in the United States "is being or is likely to be injured or is prevented from being established"—even if an industry does not exist here—if he has an idea that one might be established and is prevented "by reason of the importation into the United States of a class or kind of foreign merchandise" or likely to be sold here "at less than its fair value," he is then directed to make such findings public, describe the merchandise, and give certain instructions to the appraising officers at our ports how to proceed.

In section 202 the bill sets forth that—

> if the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to the duties imposed thereon by law, a special dumping duty in an amount equal to such difference.

Roughly speaking, this duty is the difference between the export purchase price and the price at which the commodity sells in the market of production.

But the extraordinary feature of this proposed legislation is that it applies not only to dutiable articles but to commodities that are on the free list. Why there should be any objection to admitting to this country commodities that are on the free list, no matter how low the price at which they are sold, is difficult to conceive, for, if I understand the theory of the free list at all, the idea is that certain articles shall be allowed to enter this country without any duty, because by so doing a benefit accrues to us. This special dumping duty simply does away, in part, with the free-list provisions of the existing tariff law.

For the purpose of determining whether in the case of importations there is dumping certain definitions are given. I think that possibly it may be of some interest to the Senate to consider them somewhat in detail, as this section of the bill is novel, and I do not believe it has been very thoroughly studied by many Senators.

The purchase price as defined in section 203 is the price for which an article "has been purchased or agreed to be purchased, prior to the time of exportation," by the importer or his agent. This price shall include "the cost of all containers and coverings"; "all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States less the amount, if any, included in such price attributable to any costs, charges, United States import duties, and expenses incident to bringing the merchandise from the place of shipment in the country of exportation to the place of delivery in the United States"; the amount of any export duty imposed by the exporting country; the amount of any import duties imposed by the country of exportation which have been rebated or not collected; the amount of taxes imposed in the exporting country "upon the manufacturer, producer, or seller, in respect to the manufacture, production, or sale, which have been rebated, or which have not been collected, by reason of the exportation of the merchandise to the United States."

The next important definition is the exporters' sales price, which is the price for which the goods are sold or agreed to be sold in the United States before or after the time of importation by the exporter or his agents. This price shall include "the cost of all containers and coverings and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States"; the amount of any import duties imposed by the exporting country which have been rebated or which have not been collected because of exportation to the United States; the amount of any taxes imposed in the exporting country "upon the manufacturer, producer, or seller in respect to the manufacture, production, or sale, rebated, or not collected." This price shall not include any export tax imposed by the exporting country on exportations to the United States or the costs, charges, United States import duties, expenses incident to bringing the goods from the place of shipment in the exporting country to the United States, commissions paid for selling in the United States, and generally expenses incurred by the exporter or agent in the United States in selling identical or substantially identical merchandise.

Then, the foreign market price is the price at which such merchandise is sold or freely offered for sale to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade for home consumption; or, if not, then for exportation to countries other than the United States. This price shall include the cost of all coverings or containers and all other costs, charges, and expenses incident to placing the merchandise in condition, packed for shipment to the United States. The price at the time of such exportation, or the date of such purchase or agreement to purchase, is to be considered the time at which the price is to be computed.

If we take into account these conditions regarding the purchase price, the export sales price, and the foreign market price of the commodities, it will be seen that theoretically the duty imposed under the dumping clause may possibly be reached. Undoubtedly, if there were any large extent of dumping in this country, it would entail enormous expense to arrive at conclusions under all these technical and difficult enumerations. The expense entailed and the number of appraisers that would be required would undoubtedly be very large; but to my mind one of the iniquities of the provision lies in the fact that the Secretary of the Treasury—and not only the Secretary, but the person upon whom he can confer these powers and duties—is given such very wide discretion as to what shall or shall not be investigated. Naturally the Secretary, with all the work that he has to do, will be unable to attend to this matter personally, and will have to delegate it. It seems to me most unwise in any case that Congress should allow such wide latitude to any Cabinet

official, or to any official, no matter how able. It is unsound in peace times to grant such extensive powers as are contained in this section of the bill.

If a dumping clause is to be considered, the plan of the Underwood tariff bill as it passed the House, but which was rejected in the Senate, should be carried out, and Congress should determine what imports are subject to such dumping duties and what are not; and unquestionably the entire free list should not be included.

Section 403 of the bill relates to the currency provisions, so that there may be a standard for determining the value of the goods in American money; and naturally, in the depreciated condition of European currency, this is an important section. It provides for quarterly estimates by the Director of the Mint, and that if these vary as much as 5 per cent from the value measured by the buying rate in the New York market at noon on the day of exportation, then such latter rate shall govern.

Title V has for its object the continuing of the present legislation on dyes and chemicals. It provides that the license power now exercised by the War Trade Board section of the Department of State shall cease and shall be turned over to the Treasury Department, and continued for six months longer. The reason for turning it over to the Treasury Department is because this was a war measure that was passed in 1918, before the close of the war, and will cease to be in effect if the joint resolution declaring a state of peace to exist, which passed the Senate the other day, is finally passed by the other House and signed by the President.

Personally I believe that it is a mistake to continue these war powers in times of peace. This provision will work hardship to many manufacturers who will be unable to obtain the dyes that they need of the quality they need, and especially it will do harm to the consumer, which is more important, because he will receive clothes dyed with inferior dyes.

Mr. President, I have covered in this very general way my objections to this bill, because, as I said in my introductory remarks, I had already gone very thoroughly into its agricultural features in a speech that I made in the previous Congress. I know the bill is absolutely unscientific. I believe that it is inexcusable, and can not fail to do harm and injustice not only to my own State but to all the people of America who are now going through a period of depression.

As I said before, with between three and five million men out of work, with not very much light appearing, our friends on the other side of the aisle, after coming in on a platform of reducing the high cost of living, are now proceeding in their very first legislation to show how flimsy these promises that were made, what scraps of paper they were. They are repeating their former history, when they were elected on a pledge to revise the tariff, and then passed the Payne-Aldrich bill and revised it upward instead of downward.

For my part, I can but voice my opposition to this measure and vote against it.

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. HARRISON. Mr. President, does any Senator on the other side wish to speak on this bill?

Mr. McCUMBER. No; we are ready to listen to the Senator from Mississippi.

Mr. HARRISON. Are you ready to adjourn?

Mr. McCUMBER. No; I wish the Senator would go on for a little while.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harris	McKinley	Sheppard
Borah	Harrison	McLean	Shortridge
Broussard	Heflin	McNary	Simmons
Bursum	Johnson	Myers	Smoot
Calder	Jones, N. Mex.	Nelson	Spencer
Capper	Kellogg	New	Stanfield
Caraway	Kendrick	Nicholson	Sterling
Cummins	Kenyon	Norbeck	Swanson
Curtis	Keyes	Norris	Trammell
Dillingham	King	Oddie	Underwood
Elkins	Knox	Overman	Wadsworth
Fernald	Ladd	Penrose	Walsh, Mass.
Fletcher	La Follette	Phipps	Warren
Gerry	McCormick	Pittman	Watson, Ind.
Glass	McCumber	Ransdell	Williams
Gooding	McKellar	Reed	Willis

The VICE PRESIDENT. Sixty-four Senators having answered to their names, a quorum is present.

NATIONAL BUDGET SYSTEM.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives requesting a conference with the Senate on the bill (S. 1084) to provide a national budget system and an independent audit of Government accounts, and for other purposes, and the amendment of the House thereto.

Mr. McCORMICK. I move that the Senate disagree to the House amendment, agree to the request for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCORMICK, Mr. MOSES, and Mr. UNDERWOOD conferees on the part of the Senate.

EMERGENCY TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue; to regulate commerce with foreign countries; to prevent dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes.

Mr. PENROSE. Mr. President, I desire to submit the following unanimous-consent agreement, which I ask to have read; and I call the attention of the Senator from North Carolina [Mr. SIMMONS] to the same.

The VICE PRESIDENT. It will be read.

The ASSISTANT SECRETARY. The Senator from Pennsylvania asks unanimous consent that at not later than 3 o'clock p. m. on the calendar day of Wednesday, May 11, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenue; to regulate commerce with foreign countries; to prevent dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 12.30 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than 10 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment offered thereto.

Mr. REED. Mr. President, the difficulty which I have always felt existed in regard to agreements of the character now before the Senate is found in the fact that if an amendment, however meritorious it may be, is not voted upon before the hour fixed, there is no time to present the amendment or discuss it. If this proposition could be changed so that after 3 o'clock any amendment brought forward could be discussed under a 5 or 10 minute rule, I would make no objection to it.

I have no desire to delay the passage of the bill. I want to discuss it, but I can not be ready to discuss it as I want to do before Monday. If the Senator from Pennsylvania could modify his request so that it would permit discussion of amendments not to exceed 10 minutes by any one Senator, it would be agreeable to me.

Mr. PENROSE. Mr. President, according to that we would be here, perhaps, until midnight.

Mr. REED. That is entirely possible, but it is not likely.

Mr. PENROSE. I think anything is likely. The Senate has been adjourning or taking a recess at 3 or 4 o'clock in the afternoon because no Democratic Senator was ready to speak. Two hours yesterday were wasted in a tedious discussion about matters which never should have consumed the time of the Senate, but which should have been ventilated in committee. While I want to defer to the wishes and convenience of Senators having a desire to debate this question, I feel it to be my duty to keep the Senate in session, so far as I am able, and to keep the bill before the Senate, unless we can have some distinct understanding as to when this measure can come to a vote.

I have no assurance, if this request is modified, according to the suggestion of the Senator from Missouri, that we can hold a quorum in the evening. This great debate on the so-called emergency tariff bill has been listened to by about three Members of the Senate and one occupant of the correspondents' gallery. Does the Senator from Missouri expect a larger audience when he addresses the Senate?

Mr. REED. Mr. President, I shall have to take my chances upon an audience. Of course, I do not expect to change the views of the chairman of the committee; I perhaps shall not change the views of a single Member of the Senate; and it may be regarded as an utter nuisance that I say anything upon the bill; but, in so far as I am concerned, I intend to say some things, if not to the Senate, at least to the country, and I do not know whether the country will pay any attention to them or not.

Mr. PENROSE. They will not.

Mr. REED. The Senator may be correct about that; but that is not the question I am discussing. I am discussing the mere reservation of the right of any Senator who sees fit to present an amendment, and to discuss it after 3 o'clock, to have 5 or 10 minutes to call the attention of the Senate to the purpose of the amendment. I have seen amendments defeated when offered the reason for which did not appear until the last moment, and the Senator offering them and other Senators were barred from the opportunity to explain them to the Senate. That is the situation I have in mind.

I repeat, anything I may say may be utterly immaterial and be listened to neither by the country nor the Senate, but that is not the question I am discussing. There is plenty of time reserved under this proposed agreement to allow me to make the speech, which will be a weariness to the flesh of the chairman of the committee and everyone else, perhaps. I am entirely content with 3 o'clock on Wednesday, provided the right is reserved to a Senator offering an amendment to have at least five minutes to explain it to the Senate, and any other Senator ought to have the right, of course, to take the other side.

Mr. CURTIS. Mr. President, I suggest to the chairman of the committee that in order to reach an agreement we meet at 11 o'clock on Wednesday and apply the five-minute rule at 12 o'clock. That would give from 12 to 3 for debate on amendments.

Mr. REED. If I understand the Senator, that means a modification of this proposed agreement so that after 12 o'clock on Wednesday no one shall speak more than five minutes, and that we shall vote at 3 o'clock.

Mr. CURTIS. That is the suggestion.

Mr. REED. Make it 10 minutes, and with that modification I shall agree to it.

Mr. PENROSE. Let the Secretary read the unanimous-consent agreement as modified.

The VICE PRESIDENT. The Secretary will read the agreement as modified.

The Assistant Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 3 o'clock p. m., on the calendar day of Wednesday, May 11, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenues; to regulate commerce with foreign countries; to prevent dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 12 o'clock meridian, on said calendar day, no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto.

Mr. McCUMBER. I thought it was to be 10 minutes.

Mr. SIMMONS. Let it be made 10 minutes.

Mr. REED. Make it 10 minutes.

Mr. PENROSE. A much more preferable speech can be made in 5 than in 10 minutes.

Mr. REED. Mr. President, I know the impatience of the Senator from Pennsylvania to save the farmers of the country, and that 5 or 10 minutes difference in time will make a very great difference to him. However, I believe there ought to be enough time given for an intelligible explanation of any amendment which may be offered by a Senator. I am speaking of it now not only with reference to this measure but to the general situation.

Mr. PENROSE. The Senator prefers 10 minutes?

Mr. REED. I do.

Mr. PENROSE. If that will give the Senator a greater feeling of freedom, I will agree to it. I hope the Chair will put the question.

Mr. SIMMONS. The roll must be called.

Mr. PENROSE. The roll was called, and I thought that complied with the rule. However, I am not sure of it.

Mr. UNDERWOOD. I will state to the Senator that I think to make it entirely binding it will be safer to call the roll, because other legislative business was laid before the Senate, and the Senator from Illinois [Mr. McCORMICK] moved a conference. To make it entirely within the rule we had better have the roll called.

Mr. SIMMONS. The unanimous-consent request was submitted after the roll was called and not before.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Capper	Dillingham	Glass
Borah	Caraway	Elkins	Gooding
Broussard	Cummins	Fernald	Hale
Calder	Curtis	Fletcher	Harris
Harrison	McKellar	Phipps	Sutherland
Heflin	McKinley	Pittman	Swanson
Johnson	McLean	Poindexter	Trammell
Jones, N. Mex.	McNary	Ransdell	Underwood
Kellogg	Myers	Reed	Wadsworth
Kendrick	Nelson	Sheppard	Walsh, Mass.
Kenyon	New	Shortridge	Warren
Keyes	Nicholson	Simmons	Watson, Ind.
King	Norbeck	Smoot	Williams
Knox	Norris	Spencer	Willis
Ladd	Oddie	Stanfield	
La Follette	Overman	Stanley	
McCumber	Penrose	Sterling	

The VICE PRESIDENT. Sixty-four Senators having answered to their names, a quorum is present.

The Senator from Pennsylvania proposes the unanimous-consent agreement, which will be read.

The Assistant Secretary read as follows:

UNANIMOUS-CONSENT AGREEMENT.

It is agreed by unanimous consent that at not later than 3 o'clock p. m., on the calendar day of Wednesday, May 11, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 2435) imposing temporary duties upon certain agricultural products to meet present emergencies, and to provide revenues; to regulate commerce with foreign countries; to prevent dumping of foreign merchandise on the markets of the United States; to regulate the value of foreign money; and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 12 o'clock meridian, on said calendar day, no Senator shall speak more than once or longer than 10 minutes upon the bill, or more than once or longer than 10 minutes upon any amendment offered thereto.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. PENROSE. Mr. President, I am informed that no Senator desires to address the Senate to-day on the pending measure, or any other measure, and I therefore move that the Senate take a recess until 12 o'clock to-morrow.

Mr. UNDERWOOD. I ask that the Senator withhold the motion a moment.

Mr. PENROSE. Very well; I withhold it.

Mr. HARRISON. Will the Senator not move an adjournment instead of a recess until to-morrow?

Mr. PENROSE. Does the Senator prefer an adjournment?

Mr. HARRISON. I prefer an adjournment.

Mr. PENROSE. If we adjourn, it means that we shall stay here later in the day to-morrow.

Mr. HARRISON. That may be; but to-morrow there will be before the Senate a resolution I served notice that I would call up at the first opportunity, and under the rule I can not call up the resolution to-morrow unless we take an adjournment.

Mr. PENROSE. I shall move an adjournment, but I will withhold it until after a brief executive session for action on certain nominations.

Mr. HARRISON. Very well.

EXECUTIVE SESSION.

Mr. PENROSE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 20 minutes p. m.) the Senate adjourned until to-morrow, Saturday, May 7, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 6 (legislative day of May 4), 1921.

APPRAISER OF MERCHANDISE.

Samuel W. George, of Haverhill, Mass., to be appraiser of merchandise in customs collection district No. 4, with headquarters at Boston, in place of Joseph T. Lyons.

COLLECTOR OF CUSTOMS.

Willfred W. Lufkin, of Essex, Mass., to be collector of customs for customs collection district No. 4, with headquarters at Boston, in place of Edmund Billings.

COLLECTORS OF INTERNAL REVENUE.

DISTRICT OF KENTUCKY.

Robert H. Lucas, of Louisville, Ky., to be collector of internal revenue for the district of Kentucky, in place of Elwood Hamilton.

DISTRICT OF MINNESOTA.

Levi M. Willcuts, of Duluth, Minn., to be collector of internal revenue for the district of Minnesota, in place of Edward J. Lynch.

UNITED STATES MARSHAL.

Peter H. Miller, of Florida, to be United States marshal, northern district of Florida, vice James B. Perkins, resigned. (Mr. Miller is now serving in that position under appointment by court.)

GOVERNOR OF PORTO RICO.

E. Mont. Reily, of Missouri, vice Arthur Yager, resigned.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES.

QUARTERMASTER CORPS.

Capt. James Lester Allbright, Infantry, with rank from July 1, 1920.

AIR SERVICE.

Lieut. Col. Theodore Anderson Baldwin, jr., Infantry, with rank from July 1, 1920.

Maj. Harold Aron Strauss, Coast Artillery Corps, with rank from July 1, 1920.

CORPS OF ENGINEERS.

First Lieut. Volney Archer Poulson, Coast Artillery Corps, with rank from July 2, 1920.

COAST ARTILLERY CORPS.

First Lieut. Joseph Edwin McGill, Infantry, with rank from July 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 6 (legislative day of May 4), 1921.

POSTMASTERS.

KANSAS.

Cecil F. Smith, Burns.
Rollin J. Conderman, Chetopa.
Jacob W. Wright, Elk City.
Lulu E. Perkins, Gardner.
Victor H. Hoefer, Inman.
LeRoy F. Heston, Kanorado.
Albert Woodmansee, Kiowa.
Ethel I. Lounsbury, Long Island.
J. Raymond E. Simmons, Wellsville.

VERMONT.

Rudolph M. Cutting, Plainfield.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 6, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, may every heart have its hymn as we come before Thee with memories that make life sweet. But as it is an expanding quantity, give us the joy of being unsatisfied; then it shall have a continual growth. We bless Thee for Thy rule and standard of conduct, and may we have delight in Thy statutes, and keep before us the end of the commandment, which is, "Now abideth faith, hope, charity; these three; but the greatest of these is charity." Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

ARMY APPROPRIATION BILL.

Mr. ANTHONY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5010) making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes.

The SPEAKER. The gentleman from Kansas moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5010, making appropriations for the support of the Army.

QUESTION OF CONSTITUTIONAL PRIVILEGE.

Mr. TINKHAM rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. TINKHAM. I rise to offer a resolution on a question of high constitutional privilege.

The SPEAKER. Does the gentleman claim that it is of higher privilege than the motion of the gentleman from Kansas?

Mr. TINKHAM. I do.

The SPEAKER. The Chair will hear the gentleman.

Mr. TINKHAM. I am going to suggest——

Mr. MADDEN. Mr. Speaker, I ask that the resolution be reported.

Mr. TINKHAM. Mr. Speaker, I suggest the absence of a quorum, inasmuch as the matter is of a great deal of importance.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. Evidently there is no quorum present.

CALL OF THE HOUSE.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Wyoming moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Focht	Lampert	Rossdale
Appleby	Free	Langley	Rucker
Begg	Fuller	Lea, Calif.	Schall
Bird	Gilbert	Logan	Siegel
Bond	Good	London	Sisson
Britten	Gould	Longworth	Slemp
Brown, Tenn.	Graham, Pa.	Lyon	Snyder
Browne, Wis.	Haugen	McDuffie	Steenerson
Burke	Hawley	Mann	Stiness
Cantrill	Hogan	Mansfield	Stoll
Chandler, Okla.	Houghton	Mason	Strong, Pa.
Clark, Fla.	Hukriede	Merritt	Sullivan
Clarke, N. Y.	Jacoway	Michaelson	Tague
Cockran	James, Va.	Overstreet	Thomas
Cramton	Kahn	Padgett	Towner
Crowther	Kelley, Mich.	Perkins	Vaile
Dickinson	Kennedy	Perlman	Vare
Doughton	Kiess	Porter	Voigt
Dunn	Kincheloe	Pou	Volk
Dupré	Kindred	Pringey	Ward, N. Y.
Edmonds	Kitchin	Reber	Winslow
Fields	Kraus	Reed, W. Va.	Wise
Flood	Kreider	Riordan	

The SPEAKER. On this vote 338 Members have answered to their names. A quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Wyoming moves to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

QUESTION OF CONSTITUTIONAL PRIVILEGE.

Mr. MADDEN. Mr. Speaker, I ask that the resolution of the gentleman from Massachusetts [Mr. TINKHAM] be reported.

The SPEAKER. The gentleman from Massachusetts offers a resolution, which he claims is so privileged as to have precedence over the motion of the gentleman from Kansas [Mr. ANTHONY] that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the Army appropriation bill. The Clerk will report the resolution for information.

The Clerk read as follows:

Resolution.

Whereas the fourteenth article, in addition to and amendment of the Constitution of the United States, section 2, provides:

"When the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof is denied to any of the male inhabitants of such State, being 21 years of age and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State," and

Whereas it is generally and commonly alleged and is susceptible of proof that in many States of the United States the constitutions thereof and the laws enacted by their legislatures have, in effect, denied or abridged to large numbers of citizens qualified under the Constitution of the United States the right to vote in such States, and that such alleged nullification of the Constitution of the United States, whether direct or indirect, constitutes flagrant and persistent disregard and violation of the fundamental law of the land and is subversive wholly of law and of liberty itself; and

Whereas no greater political discrimination could exist between the several States of the Union and of their citizens than the general conference upon each of the States alike of the power to prescribe qualifications for electors (subject alone to the inhibitions of the fifteenth and nineteenth amendments to the Constitution of the United States) upon a basis of population, and the coexistence of an extensive and evasive unconstitutional denial of the exercise of the franchise to some citizens by some States, resulting in disproportionate political power, accentuated and enlarged by the recent enfranchisement of females; and

Whereas the House of Representatives is about to make a reapportionment of Representatives in Congress among the several States, based upon the census of population of 1920: Therefore be it

Resolved, That the Committee on the Census or any subcommittee thereof is hereby authorized and directed to proceed forthwith to make diligent inquiry respecting the extent to which the right to vote is denied or abridged to citizens of the United States in any State in violation of the Constitution of the United States; and said committee is authorized to send for persons and papers, to administer oaths to witnesses, to conduct such inquiry at such times and places as the committee may deem necessary, and to report its findings and recommendations to the House at the earliest possible moment, either separately or together with such report as said committee may submit in connection with proposed legislation providing for a reapportionment of Representatives in Congress, to the end that such reapportionment shall be constitutional in form and in fact.

Mr. MONDELL. Mr. Speaker, I make the point of order against the resolution that it is not privileged under the rules and not privileged under the Constitution, and does not present a question of privilege before the House; and further, if it were privileged, in the present situation of affairs the motion made by the gentleman from Kansas [Mr. ANTHONY] takes precedence as a privileged question. If the resolution were held in order it would remain for the House to decide whether or not it would take up the Army bill.

The SPEAKER. The Chair will hear the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Speaker, Rule IX of the House, entitled "Questions of Privilege," says:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members individually in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

Under that rule, on page 284 of the Manual and Digest, under section 656 the following words, decisions, and references appear:

It is evident, therefore, that a question of privilege takes precedence over a matter merely privileged under the rules (Hinds' III, 2526–2530; V, 6454). So also certain matters of business, arising under provisions of the Constitution, mandatory in nature, have been held to have a privilege which supersedes the rules establishing the order of business—

And here are the illustrations—

as bills providing for census or apportionment (Hinds' I, 305–308), bills returned with the objections of the President (IV, 3530–3536), propositions of impeachment (III, 2045–2048, 2051, 2398), and questions incidental thereto (III, 2401, 2418; V, 7261), matters relating to the count of the electoral vote (III, 2573–2578), and resolutions relating to adjournment and recess of Congress (V, 6698, 6701–6706).

All of these decisions, Mr. Speaker, establish the great constitutional legislative doctrine that where there is devolved upon the House of Representatives a duty or a function mandatory in character by the use of the word "shall" in the Constitution, as distinguished from the exercise at its will of a power to legislate where the word "shall" is used in the Constitution, legislation introduced to perform a duty or function mandatory in character as a matter of high constitutional privilege takes precedence over ordinary legislation or over a matter merely privileged under the rules. That is what those cases in Hinds' establish, and that is the great legislative constitutional doctrine of this House, and has been the great constitutional legislative doctrine of this House time out of mind.

Such high constitutional privileges relate to legislation, as Hinds has said, concerning the census or apportionment. Why? Because Article I, section 2, of the Constitution provides in relation to the census the following:

The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of 10 years, in such manner as they shall by law direct.

This is a mandatory injunction upon Congress that a census be taken every 10 years. It is a thing to be done by Congress. Congress has no option and no discretion.

Section 2 of Article XIV in addition to and amendment of the Constitution—and that is the section which involves this resolution that I have offered—provides that—

Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But—

In the same paragraph, with the connective "but" as the only condition upon the making of that apportionment—and there is no other interpretation possible, except as a connective, vital part of that apportionment of Representatives—

But when the right to vote at any election for the choice of electors for President and Vice President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State being 21 years of age and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens 21 years of age in such State.

This is a mandatory injunction upon Congress that an apportionment of Representatives "shall" be made after the census has fixed the number of inhabitants in the several States, and that there shall be a reduction of the basis of representation where disfranchisement exists. Congress has no option or discretion. Those directions under the Constitution, Mr. Speaker, are mandatory. No apportionment can be made unless if disfranchisement exists the Constitution is carried out in relation to the mandatory section which says that there must be a reduction in representation. Article I, section 7, paragraph 2, of the Constitution provides that the President if he approve a bill shall sign it, but if not he shall—

return it with his objections to the House in which it shall have originated, who shall enter the objections at large on their journal and proceed to reconsider it.

This is a mandatory injunction upon Congress to proceed to enter the objections at large on their journal and proceed to reconsider the veto of the President. Congress has no option or discretion.

Article XII, in addition to and amendment of the Constitution in relation to the electoral count, provides:

The President of the Senate shall, in the presence of the Senate and House of Representatives, open all certificates and the votes shall then be counted.

This is a mandatory injunction upon Congress to proceed to count the votes of the electoral college. Congress has no option or discretion.

Article I, section 2, of the Constitution provides:

The House of Representatives shall have the sole power of impeachment.

Although this section is not mandatory in the sense that the House of Representatives must act in the same way that it is mandatory upon it to have the census taken and an apportionment made, and a reduction of representation, and to reconsider a veto of the President, and to count the electoral votes, it gives the House of Representatives the exclusive constitutional power of impeachment, and it has always been held that this power drew to itself high constitutional privilege in relation to presentation of matters of impeachment in the House of Representatives. Although that section is not mandatory, telling Congress it must impeach, the great legislative doctrine for the enforcement of the Constitution is applied to that section, and it has always, from time immemorial, been the right of any Member of this House to stand upon the floor of the House, no matter what business the House might have under consideration, and impeach an officer of the United States for high crimes and misdemeanors.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that the gentleman is not arguing the point of order. The point of order is directed against the particular proposition before the House. The gentleman is not arguing the question of his resolution. He is talking about matters of legislation.

The SPEAKER. The Chair thinks the gentleman is arguing the question of constitutional privilege, and that it is so connected that the gentleman's argument is in order.

Mr. TINKHAM. Mr. Speaker, there is involved in the decision of this question——

Mr. GALLIVAN. Mr. Speaker, a parliamentary inquiry. I should like to ask how much time my colleague from Massachusetts has.

The SPEAKER. That is in the discretion of the Chair.

Mr. GALLIVAN. I want to vote with my colleague, but if he takes too long a time, he may lose my vote. [Laughter.]

Mr. TINKHAM. Mr. Speaker, there is involved in the point of order made against my resolution the question of high constitutional privilege which I claim for it, and it is perfectly relevant for me to discuss the whole doctrine of high constitutional privilege and what it includes, its limits, and its philosophy, whether the honorable Representative from Tennessee realizes it or not. It is impossible that a charge can be made of wasting time on a matter of this character when there is a possibility that decisions which have given strength and force to legislation under the Constitution are in jeopardy.

Article I, section 5, of the Constitution provides that the House shall be judge of election returns and qualifications of its own Members. This gives exclusive constitutional power to the House of Representatives over election cases. It has always been held that this power drew to itself the high constitutional privilege in relation to the presentation of election cases. The existence of the doctrine of high constitutional privilege has been laid down in decisions vital, sweeping, living decisions by Carlisle (4 Hinds, 3532), Randall (3 Hinds, 2575, 2578, 3577), Keifer (Hinds, 308), Reed (1 Hinds, 307), and Henderson (1 Hinds, 306). The three latter decisions relate to apportionment bills.

There was a decision by Speaker Henderson in the second session of the Fifty-sixth Congress, which will be found in the CONGRESSIONAL RECORD, page 520, and in Hinds', volume 1, page

305. That decision, Mr. Speaker, was a sweeping decision of the right of such a resolution as I have introduced to have attached to it the high constitutional privilege. Let me read the decisions. This is in exact point, because the resolution I have offered I have drawn purposely in conformity with the resolution upon which Speaker Henderson ruled. What was Speaker Henderson's ruling just 20 years ago upon such a resolution as mine?

The SPEAKER. The matter seems to the Chair clearly settled by Article XIV, section 2, of the Constitution. This is a most important section, and gravely touches the very vitals of the Republic as such, and makes mandatory upon Congress certain things that shall be done by Congress if certain conditions exist. This resolution alleges that certain things exist—

And so does mine—

expressly provided for by the section just read by the Clerk. The resolution and the preamble must be considered together. What is the object of the resolution providing for the investigation to be made by the Committee on the Census? It is to ascertain the truth of these facts and lay them before Congress so that proper action may be taken by this body.

My resolution proposes the same thing. There is soon to be made an apportionment of Representatives under the census of 1920 by the Committee on the Census. It is mandatory under the Constitution. It is also mandatory by the Constitution to reduce representation, or the base of representation, in accordance with any disfranchisement. To ascertain what disfranchisement exists so that the Committee on the Census can act in accordance with the Constitution, my resolution has been offered.

Speaker Henderson then said:

Can any wiser course be suggested for carrying out the clear mandates of the Constitution than by the provision of this preamble and the resolution? The grave charges are made and the resolution to carry out the proper investigation and the treatment is before us.

It is here now before us on the Speaker's desk:

The whole matter, waiving all discussion of the rules of this House, comes under the higher rule than our rule, the constitutional rule which is here absolutely mandatory, and the Chair is unable to see why we should wander even among the precedents, which the Chair has looked over to some extent and which are all one way, when we have the plain language of the Constitution before us. The resolution is evidently carefully drawn in pursuance of the language of the Constitution. The Chair only hopes that he will never have occasion to settle a more difficult question than this, which seems to him so simple. The Chair therefore overrules the point of order.

It was the same point of order 20 years ago that has just been made by the leader of the Republican Party here.

Mr. MONDELL. Mr. Speaker——

Mr. TINKHAM. Mr. Speaker, I have not finished.

Mr. MONDELL. I beg the gentleman's pardon.

Mr. TINKHAM. The honorable Representative from Wyoming is granted his pardon; and now I request him not to interrupt me again until I have finished. In the decision of Speaker Henderson, Mr. Speaker, you have the complete and exact precedent for the action I have taken this morning; and the decision, to be found in First Hinds' Precedents, 307, is the first decision and the cornerstone in the great legislative edifice entitled high constitutional privilege.

Now, let me read to you, Mr. Speaker, your general duty to sustain any previous decisions, which has become a precedent of this House.

Hinds, volume 2, 1317, states that the Chair is constrained in his ruling to give precedence its proper influence. On January 10, 1842, Chairman George W. Hopkins, of Virginia, in the course of a ruling made in Committee of the Whole, *said:*

A chairman does not sit here to expound rules according to his own arbitrary views. A just deference for the opinions of his fellows should constrain him to give to precedent its proper influence; and until the House should reverse them, to give them all the consideration which is due to cases heretofore settled by a solemn decision of the House.

Mr. Speaker, there is a solemn decision of this House on a resolution such as I have offered that it has high constitutional privilege. That is the Henderson decision. Again, to remind the Chair of its duty to maintain precedents and the absolute vital necessity of doing so for the good order of the House and for proper legislative procedure by precedent, to which Members may look for guidance and direction and for the protection of their rights, I want to read an extract from section 1 of Jefferson's Manual of Parliamentary Practice, contained in the Digest and Manual, page 93, immediately after the Constitution of the United States:

SECTION I. IMPORTANCE OF ADHERING TO RULES.

Mr. Onslow, the ablest among the speakers of the House of Commons, used to say, "It was a maxim he had often heard when he was a young man, from old and experienced members, that nothing tended more to throw power into the hands of administration, and those who acted with the majority of the House of Commons, than a neglect of, or departure from, the rules of proceeding; that these forms, as instituted by our ancestors, operated as a check and control on the actions of the majority, and that they were, in many instances, a shelter and protection to the minority against the attempts of power." So far the maxim is certainly true, and is founded on good sense, that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, and are become the law of the House, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

And whether these forms be in all cases the most rational or not is really not of so great importance. It is much more material that there should be a rule to go by than what that rule is; that there may be a uniformity of proceeding in business not subject to the caprice of the speaker or captiousness of the members.

Mr. Speaker, I want now to direct the attention of the House and the Speaker to the fact that there is no authority on earth to which an appeal can be made if the House of Representatives does not exercise the mandatory powers which have been devolved upon it by the Constitution. No court, no authority, can compel the House to review, to reconsider, a veto of the President. No power outside of this House can compel this House to count the electoral vote. No authority is there outside of this House itself that can compel a census or an apportionment to be made. Therefore the House, in relation to the mandatory powers that it has, should have the widest latitude given to its membership that those powers may be enforced. Otherwise the Constitution would be nullified. If the Henderson decision is overruled a long and vital step has been taken for the nullification of the Constitution, not only in relation to the enforcement of the fourteenth amendment but a general precedent established.

If the resolution now before the House is sent to a committee it may be stifled there.

You have a Committee on Rules which can make anything in order it desires and anything out of order. To-day as a new creation you have a committee which is known as the steering committee. They are all-powerful. With their action, the action of seven men, unless the constitutional right of a Member to rise here to impeach or raise any question concerning the mandatory sections of the Constitution be recognized, you have nullified the Constitution, so far as the membership of this House individually is concerned. The law as it stands, the precedents as they stand, are that when there is a mandatory section of the Constitution a Member of this body may rise and invoke the operation of that mandate, as I am now doing. Nullification itself follows unless that is so. It is the duty of the Speaker not to take any backward step or close any door in relation to constitutional enforcement, and the doctrine of high constitutional privilege is a great gateway for constitutional enforcement as it applies to the mandatory parts of the Constitution, to take no course which in any way can look to nullification. Not from Massachusetts ever should such leadership come, and yet if the Henderson decision is overruled nullification must inevitably follow. What difference does it make whether the use of this privilege may be used for purposes of delay in the legislative proceedings? That is trifling compared to the fundamental power of each Member in relation to the mandatory sections of the Constitution, which are a vital part of it—its heart, its essence, its soul. If constitutional high privilege is abolished or curtailed by any decision of this House, it will be greeted by applause by those who desire nullification and as little power as possible be given to the supreme law of our land.

The question involved in the resolution is one pertaining to equal representation among the several States of the Union and equal political power among the citizens of the United States. It pertains also to the most colossal electoral fraud the world has ever known. On this question moral cowardice and political expediency dominate the Republican leadership of this House.

The SPEAKER. The gentleman will confine himself to the point of order.

Mr. TINKHAM. Mr. Speaker, in closing I desire to direct the Speaker's attention to the precedent, which is complete and sweeping, in such a resolution as I have presented. I desire to direct his attention to the fact that the mandatory part of the fourteenth amendment pertains not only to the apportionment where it uses the word "shall" but also to the words "shall reduce representation." Both are vital parts, and being vital parts, one of the other, each of the other, therefore this doctrine of high constitutional privilege applies to it, not only by the law of this House and the Henderson decision but by common sense and by the right of those who believe in the enforce-

ment of the Constitution in full measure and vitality. [Applause.]

Mr. MONDELL. Mr. Speaker, before I proceed with the discussion of the point of order I desire to call the attention of the House to some of the language used by the gentleman who has just taken his seat. I shall not demand that it be stricken from the RECORD as under the rules I have the right to do. I desire to have it remain in the RECORD as indicating the character of the gentleman's alleged argument. In his closing statement he said—

On this question—

and just what question he had in mind is not at all clear—

On this question moral cowardice and——

The SPEAKER. The Chair will suggest to the gentleman that the only question before the Chair is the point of order. The gentleman should confine himself to that.

Mr. MONDELL. Certainly the Speaker is not going to deny me the right to read two lines of a statement made by the gentleman from Massachusetts [Mr. TINKHAM] who has just taken his seat, after allowing him to make the statement.

The SPEAKER. The Chair has heard the statement.

Mr. GALLIVAN. Mr. Speaker, I ask for the regular order.

The SPEAKER. The Chair thinks the gentleman should confine himself to the point of order.

Mr. MONDELL. The gentleman has just said that moral cowardice and political expediency dominate the Republican leadership of this House. I just wanted to emphasize the fact that the gentleman had made that statement in making what was supposed to be an argument on a point of order, and before anyone, so far as I know, had expressed any opinion as to the point of order. In fact, the gentleman had written that into his manuscript before he offered his resolution.

Mr. Speaker, we have had a most amazing exhibition of what might occur here daily if gentlemen were allowed to extend the rule as to questions of privilege. I am glad the Speaker has allowed the gentleman from Massachusetts such wide latitude. I am glad that he has given him an opportunity to discuss everything that appealed to his fancy during the period in which he was supposed to be discussing, and did discuss to a very limited extent, the question before the House. I am glad that the Chair has given the gentleman opportunity to thus run afield and make a stump speech, because in so doing he has emphasized the danger that confronts the House in even considering these alleged questions of privilege under the Constitution. I am glad that the gentleman has quoted from Jefferson, because his quotation condemns the position he takes. His quotation from Jefferson's Manual is in favor of the rules and the enforcement of the rules, and he himself admits that there is no rule of this House under which this resolution is privileged. It is an amazing thing to me that in presenting a proposition that is privileged under no rule or any possible construction of any rule of the House, the gentleman should appeal to a statement as forceful as any ever made as to the wisdom, propriety, and necessity of adhering to the rules laid down to guide and govern legislative bodies.

Mr. TINKHAM. Does the gentleman deny the existence of the Henderson decision?

Mr. MONDELL. One sparrow never made a summer, particularly so thin and discredited a sparrow as I shall attempt to point out in just a moment, if the gentleman will allow me. I did not interrupt the gentleman from Massachusetts.

Mr. TINKHAM. Only once.

Mr. MONDELL. What I want to emphasize is that there is no rule of this House which by any possible construction made or urged at any time by anyone which would make this resolution privileged. If it is privileged at all, it must be privileged outside of, beyond, and in spite of the rules, and I am at a loss to understand why the gentleman invokes in defense of his contention, which offends all the rules, an argument in favor of the maintenance of the rules.

Mr. Speaker, the gentleman presents this as a question of constitutional privilege. I shall not argue that there are not questions of constitutional privilege not provided for in the rules, but I insist that this resolution does not present such a privilege. If by merely invoking or referring to or calling up a provision of the Constitution and alleging that somewhere it has not been enforced, if by so doing a gentleman may have a resolution held to be privileged, we may expect a crop of such resolutions every morning of the session. [Applause.] Some might be presented relative to the nonenforcement of the eighteenth amendment of the Constitution of the United States. [Applause.] Some might be desirous of presenting a resolution relative to the enforcement or nonenforcement of the nineteenth amendment to the Constitution of the United States, and so on, through the Constitution from beginning to the end. If a resolution simply reciting a constitutional provision and containing a claim or argument to the effect that it is violated or nonenforced presents a question of privilege, then, Mr. Speaker, good-by to the consideration of measures in this House under the rules, for then gentlemen might do every day of the session as the gentleman from Massachusetts has done. Without suggesting to anyone on this side, as far as I know, what he purposed, without giving anyone a moment's notice or opportunity by any act of his, he suddenly presents here an important question under the claim that it is privileged under the Constitution. If gentlemen may prepare at their leisure long typewritten arguments in support of resolutions, present them without the Members of the House having had any knowledge or intimation or suggestion that they are to be presented, without the Members having an opportunity to learn what is contained in the resolution except by its reading—I have not been able to get a copy of this resolution, and I have learned what it contains only by hearing it read and by going to the Clerk's desk and reading it—if questions of alleged constitutional privilege may be brought into the House under those conditions and gentlemen given unlimited time to argue and discuss them, why, there is an end to orderly business in the House. I invoke the words of Speaker Onslow, quoted from the manual by the gentleman from Massachusetts, when he said that minorities found their only protection in the rules, and that majorities could only legislate intelligently in accordance with them. Mr. Speaker, as I have said, there is no rule of this House that by any possible construction could be held to make this resolution in order, and the gentleman from Massachusetts makes no such claim.

Mr. TINKHAM. It is not so, Mr. Speaker.

Mr. MONDELL. The gentleman made no claim under the rules. The gentleman made his claim as a matter of constitutional privilege outside the rule.

Mr. TINKHAM. Yes; the highest rule in this body.

Mr. MONDELL. Well, why does the gentleman challenge my statement and in the next breath admit that what I said is an exact statement of the truth?

Mr. TINKHAM. The constitutional rule is a part of the rules of this House.

Mr. MONDELL. I say again there is no rule of this House that has been invoked or can be invoked in support of this resolution, and further than that, Mr. Speaker, there is but one decision in the whole history of the Congress that can be invoked in support of it. The gentleman has invoked that decision, and I want to refer to it briefly. I was in the Congress at the time that decision was made, and having hurriedly read the debate, after the gentleman offered his resolution, I recall, somewhat dimly, it is true, but I still recall some of the facts concerning that decision and the action of the House following it. Let me again emphasize to the Speaker that, first, there is no privilege for this resolution under the rules; second, there is no place for it under any decision made since the first Congress convened save one, and that one flies in the face of all the practice and decisions of the House. Now, let us see what that decision was and how it came to be made. The gentleman from Massachusetts has referred to it. The gentleman from Pennsylvania, Mr. Olmsted, on January 3, 1901, presented a resolution somewhat in the form of the resolution now before us, not in the exact form; as a matter of fact, I have not had time to compare the two to learn in what respect they differ, but evidently the gentleman from Massachusetts has no new idea or thought in the matter, and he has evidently attempted to copy Mr. Olmsted's resolution. That resolution was offered in the Fifty-sixth Congress, second session, which had a large Republican majority. The gentleman from Iowa, Mr. Henderson, was in the chair. A point of order was made against the resolution. There was some debate, not very much. The matter was not argued at length, but at the end of a rather brief argument the Speaker overruled the point of order and held the resolution in order. Then what happened? And I call the Speaker's attention to what happened, as indicating the attitude of that House touching that wide departure from the established rules and practice of the Congress. That was a Republican House with a goodly majority. Immediately after the decision the question of consideration was raised. Remember, this was a Republican House with a Republican Speaker——

Mr. TINKHAM. Who raised the question of consideration?

Mr. MONDELL. The gentleman from Alabama.

Mr. TINKHAM. Alabama!

Mr. MONDELL. Yes.

Mr. TINKHAM. The Democratic leader?

Mr. MONDELL. Yes.

Mr. TINKHAM. I know all the facts.

Mr. MONDELL. Yes; leaders have responsibilities. Sometimes other gentlemen do not recognize that they have. [Laughter and applause.]

The SPEAKER. The Chair does not wish——

Mr. MONDELL. I assume we are not deciding the point of order on the question of whether the point was made by a man from Wyoming or from Alabama or from Maine or from Texas.

The SPEAKER. The Chair does not wish to curtail the gentleman's argument, but the Chair does not see what effect it has on the point of order. If the gentleman thinks it has, the Chair will listen to him.

Mr. MONDELL. The Chair will agree with me that the action of the House of Representatives touching and affecting, and following a decision—a decision at variance with a long line of decisions and at variance with the general rule—is a very important matter. The question of consideration was raised. On that, in this Republican House, the yeas were 80 and the nays were 83. A point of no quorum was made. Whereupon an effort to secure a quorum was made. A motion was then made to adjourn, and the House adjourned. And, so far as I know——

The SPEAKER. The Chair thinks that has no bearing on the point of order.

Mr. MONDELL. So far as I know, no action was taken by the House on the matter. I submit that has some bearing on the point of order.

While the vote was not squarely on the decision, the House refused to act on the resolution, and adjourned, and took no further action in the matter.

Now, Mr. Speaker, just one word more. I do not want to try the patience of the Chair and the House. This is a tremendously important matter, as the gentleman from Massachusetts [Mr. TINKHAM] suggests. That is the question as to whether or not by merely invoking a provision of the Constitution a gentleman may present a privileged question and interrupt the orderly processes and discussions of the House. It is an important matter. The question involved in the inquiry which he proposes and suggests is also important, but it is a question that can be taken care of and provided for under the rules of the House in due course. A resolution of this kind would be referred to a proper committee; in due course that committee could be compelled by the House to report if it did not report on its own motion and volition; in due course the matter could be taken up and passed upon. There is no situation now different from the situation that has existed for years. There is no special urgency; there is nothing before us that has not been before us for years. So that, important as the question involved in the resolution may be, the question can and will be passed upon in an orderly and proper way under the rules of the House. On the other hand, the question of privilege is an important question that must be settled now. If, Mr. Speaker, in the early days of the Republic, when the volume of business was limited, when the questions before the Congress were few and comparatively simple, the fathers saw the necessity of providing rules for the procedure of the House with a view of preventing the presentation of questions that had not been considered by committees and presented to the House in an orderly way, if in those days it was necessary to protect the House, its committees, and its procedure, as to the questions that could be brought directly to an issue by limiting the rule as to privilege, how much more important in this day, when the volume of business is almost overwhelming and its importance infinitely greater than most of the business of former days. If in these days, when Congress must remain in session eight or nine months in the year to transact its business, compared with three or four months of the early days, if the bars are let down to privileges which may be established by a mere reference to the Constitution of the United States, then we might just as well admit that we can not and do not expect to dispose of the Government's and the people's business.

Mr. WALSH. Will the gentleman yield for an inquiry?

Mr. MONDELL. I will.

Mr. WALSH. If this resolution is in order, would not a motion be in order to refer it to a committee?

Mr. MONDELL. Even if this resolution were in order just at this time there is another resolution before the House entitled to consideration by the House, namely, to go into Committee of the Whole House on the state of the Union to consider the Army bill. But, Mr. Speaker, whatever may be the answer to the gentleman's question, it does not matter. What I am arguing against are decisions that would encourage gentlemen every day of the year, and every day of the session, to present, under one pretext or another, certain questions as questions of constitutional privilege, when they can be provided for and cared for and disposed of under the ordinary rules of the House.

Mr. WALSH. Mr. Speaker, I desire to point out to the Speaker one or two aspects of the gentleman's argument. He suggests that the question of privilege being interjected into the proceedings of the House interrupts the orderly procedure of the House and stops the business under consideration, and that because nobody has had an opportunity to examine a resolution offered under a claim of privilege that therefore a point of order should lie against it.

As I understand, the rules of the House pertain to questions of privilege, and a Member is under no obligation to notify any other Member that he desires to raise that question, and that therefore that can not have any bearing upon the point of order. Now, further, he alludes to the fact that a certain action, taken after a decision upon a point of order, expressed the opinion of the House as to whether the matter was in order or not. Mr. Speaker, that has nothing to do with it. If an appeal had been taken from the decision, certainly that would express the view. But, Mr. Speaker, I think the Chair will find that the gentleman who offered the resolution in the previous Congress made a very learned argument upon that point of order. As I recall——

Mr. LINTHICUM. Mr. Speaker, a parliamentary inquiry.

Mr. WALSH. I do not yield for a parliamentary inquiry.

Mr. LINTHICUM. Regular order, Mr. Speaker.

Mr. GALLIVAN. Mr. Speaker, I make the point of order the gentleman is not discussing the question of a point of order.

Mr. WALSH. I do not think the gentleman knows whether I am discussing it or not. [Laughter.]

The SPEAKER. The Chair will yield to the gentleman from Maryland to present a parliamentary inquiry.

Mr. LINTHICUM. Mr. Speaker, I raise the point of order the gentleman from Massachusetts [Mr. GALLIVAN] made, that the gentleman is not discussing the question before the House.

The SPEAKER. The Chair overrules the point of order. The gentleman from Massachusetts will proceed.

Mr. WALSH. Mr. Speaker, as I understand it, in order to present a question of privilege a Member must do it on his responsibility as a Member of this House, and it must affect either his own rights and privileges or those of the House; and I think the only question for the Chair here to decide is, notwithstanding the absence of any specific rule under which the House is operating, whether, when a Member upon his own responsibility rises in his place and presents a resolution setting forth the existence of certain facts, that resolution is privileged, can be repealed by the House and referred or acted upon, or proceeded with under the ordinary rule.

Mr. GARRETT of Tennessee and Mr. TINKHAM rose.

The SPEAKER. The Chair will recognize the gentleman from Massachusetts [Mr. TINKHAM] first.

Mr. TINKHAM. Mr. Speaker, I desire to respond first to the statement of the honorable Representative from Wyoming [Mr. MONDELL]. He stated that he had not seen the "resolve" except for a moment or two at the Speaker's desk, and he said that he was not very well acquainted with the question. Let the House value his opinion by his own confession of his ignorance of this matter.

Again he said, "One swallow does not make a summer." [Laughter.] I understand, Mr. Speaker, he said in fact "one sparrow," but the classic version is "swallow," notwithstanding the eighteenth amendment. [Laughter.]

Let me say in response to that suggestion that one decision of the Supreme Court makes the law of this land, and one decision in this House makes the supreme law of this House, and we have a supreme decision in this matter.

Again, Mr. Speaker, he stated that there are a great number of measures under the Constitution which could be raised at any time by the doctrine I contend for. There are only, as I pointed out, and as appears in section 656 of the Manual and Digest which I have read, a very few matters of constitutional mandatory character to which this high constitutional privilege appertains and each is sustained by full decisions.

The honorable Representative from Wyoming states that the House refused to act 20 years ago after the Henderson decision. Suppose they did refuse to act. Does that mean that they could not have acted or that they should not have acted? Read the Constitution and the fourteenth amendment, which is mandatory in character, and which says they should act. Read the Constitution and see if this Congress is not now under the oaths which its Members took to support the Constitution compelled to enforce the mandatory section of the fourteenth amendment.

Mr. MONDELL. Mr. Speaker, will the gentleman yield right there?

Mr. TINKHAM. I will.

Mr. MONDELL. The gentleman is arguing that unless the House acts now on this matter it can not be acted upon. It can be acted upon at the proper time and in the proper way under the rules.

Mr. TINKHAM. Mr. Speaker, I introduced under the rules of the House in the last Congress this very resolution, not knowing of its high constitutional privilege. It was referred to a committee controlled by the honorable Representative from Wyoming, and I could not even open the door of the room to see the resolution. [Laughter.]

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. Mr. Speaker, I have had my experience under the rules of the House, and I now invoke my sovereign rights under the Constitution and the decisions in this House and the high constitutional privilege which attaches to my resolution.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. TINKHAM. I will.

Mr. MONDELL. The gentleman does me altogether too much honor. I control no committees, and I never discussed this particular matter with any member of the committees he refers to.

Mr. TINKHAM. The honorable Representative from Wyoming is altogether too modest. [Laughter.]

Mr. BUTLER. Mr. Speaker, will the gentleman yield for a minute?

The SPEAKER. The gentleman from Massachusetts must confine himself to the point of order.

Mr. BUTLER. Mr. Chairman, will the gentleman yield to me?

Mr. TINKHAM. I will.

Mr. BUTLER. I am greatly interested in having recalled to this House the argument made by Mr. Olmsted 20 years ago—one of the most learned lawyers ever produced by the State of Pennsylvania. I heard it, and I am sorry I can not recall it now.

Mr. TINKHAM. I will ask the honorable Representative from Pennsylvania if he agreed with the argument of Mr. Olmsted when he made it? [Laughter.]

Mr. BUTLER. Of course, he knew so much more than I did about it that I agreed with him. [Laughter.]

The SPEAKER. The gentleman from Massachusetts will confine himself to the point of order.

Mr. TINKHAM. Mr. Speaker, there is one more authority I would like to read to you, and then I will rest my case with the Speaker—a Representative from Massachusetts. [Laughter.] Volume 3 of Hinds' Precedents, section 2553, says:

> A proposition involving a question of constitutional privilege may supersede a pending motion to suspend the rules. On March 2, 1877, Mr. David Dudley Field, of New York, from the Select Committee on Privileges, Powers, and Duties of the House of Representatives, in counting the vote for President and Vice President of the United States, reported a bill (H. R. 4698) to provide an effectual remedy for a wrongful intrusion into the office of President and Vice President of the United States.
>
> Mr. Omar D. Conger, of Michigan, made the point of order that the bill could not be reported or considered pending a motion to suspend the rules, which motion he claimed to have made before the bill was read.
>
> The Speaker held the report made by Mr. Field from the committee to be first in order, a question of high constitutional privilege being involved.

I rest my case. [Applause.]

Mr. GARRETT of Tennessee rose.

The SPEAKER. The Chair does not wish to suggest any indifference to the suggestions of the gentleman from Tennessee [Mr. GARRETT], and if he urges it, the Chair will hear him; but the Chair is ready to rule.

Mr. GARRETT of Tennessee. I do not care to be heard.

The SPEAKER. The Chair at the outset wishes to acknowledge the courtesy and consideration which have been shown him by his colleague, the gentleman from Massachusetts [Mr. TINKHAM], in bringing this matter to his attention in advance, and telling him frankly his position, so that the Chair has had ample opportunity throughly to investigate the precedents, and if the Chair's decision is erroneous, it is not because of lack of time, or for lack of courtesy on the part of the gentleman from Massachusetts.

The Chair also suggests that of course this decision is entirely independent of the merits of the resolution. It is strictly and exclusively a matter of parliamentary law, and that has been recognized in the arguments, and the Chair recognizes it in his decision.

The Chair thinks that if this question were brought up as an original question, and there were no precedents upon it, every Member of the House would at once say, "Why, of course this can not be admitted as privileged," because it would give the right to any Member of the House at any time to bring forward a resolution affecting some constitutional provision and to claim that his individual resolution can at once set aside all the regular business of the House, and must be considered by the House in preference to anything else. That puts it above the rules of the House and allows one man, and one after another if filibustering is desired, to bring before the House a question that he has in advance prepared, and insist that his individual will and preference shall change the regular order which the House itself has established just because a clause of the Constitution is affected. So the Chair thinks that if this were a matter of first impressions, there would be no question about it. The Chair at any rate would have no question about it. But there is an exact precedent for this which has been followed by the gentleman from Massachusetts, and that has much embarrassed the Chair in coming to his decision. This whole question of a constitutional privilege being superior to the rules of the House is a subject which the Chair has for many years considered, and thought unreasonable. It seems to the Chair that where the Constitution orders the House to do a thing, the Constitution still gives the House the right to make its own rules and do it at such time and in such manner as it may chose, and it is a strained construction, it seems to the Chair, to say that because the Constitution gives a mandate that a thing shall be done, it therefore follows that any Member can insist that it shall be brought up at some particular time and in the particular way which he chooses.

If there is a constitutional mandate, the House ought by its rules to provide for the proper enforcement of that mandate, but it is still a question for the House how and when and under what procedure it shall be done, and a constitutional question, like any other, ought to be decided according to the rules that the House has adopted. But there have been a few constitutional questions—very few—which have been held by a series of decisions to be of themselves questions of privilege above the rules of the House. There is the question of the President's veto, and to the Chair that seems to be the only one to which there is any good reason to give a privileged status, because the Constitution says that when the President sends a veto to the House the House shall "proceed to" consider it; and that is apparently a definite order which can fairly be interpreted to mean that it shall be done at once, and that has been the practice of the House, and it has been held that without a rule in obedience to the Constitution a President's veto should be acted upon not immediately but within a day or two.

Another subject which has been given constitutional privilege is impeachment. It has been held that when a Member rises in his place and impeaches an officer of the Government he can claim a constitutional privilege which allows him at any time to push aside the other privileged business of the House. To the Chair that does not seem rational. Although impeachment is a matter of constitutional privilege, yet there is no reason why it should not be introduced like any other matter, go into the basket, and be reported by a committee. But inasmuch as the long line of precedents has given it a privilege, the Chair would not think of overruling them; but the Chair can see no intrinsic reason for the privilege. It is simply a matter of precedent.

Then have come the two questions of the census and of apportionment. The Constitution provides that a census shall be taken every 10 years, and that after the census is taken there shall be an apportionment, and there is a line of decisions holding that because of that constitutional provision, although the rules of the House have not given the Committee on the Census a privileged status, they can come in ahead of other questions of privilege, although the House will remember that a few years ago the theory that a constitutional privilege was higher than the rules of the House received a damaging blow when it was attempted to bring up a census bill on Calendar Wednesday.

Speaker CANNON held that it was in order to do so, but the House overruled that decision and sustained the sanctity of Calendar Wednesday, and held that a census bill could not come up on that day, thereby deciding that the rule of the House which sets aside Calendar Wednesday is of higher authority than the constitutional privilege of the census bill.

But these questions of impeachment and others came up in the early days of the Congress, when the relative value of a privilege made little difference. In the first half century of our existence the House was not crowded with business. Anything that came before the House had ample opportunity to be heard and decided, and the question whether a subject was privileged or not was not of the same moment that it is to-day, when our calendars are crowded, when it is impossible to

transact a tenth part of the business which is presented to the House, and when it is of vital importance to the House that it shall be able to determine an order of business and to consider those bills which it considers of the greatest importance. And apparently recognizing that in 1880 the House for the first time adopted a rule defining questions of privilege. It was found necessary to check the tendency to claim the floor by alleging that a matter was privileged, and so Rule IX was adopted, which says:

Questions of privilege shall be first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members individually in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

It is fair to say that when that rule was adopted a motion was made that no other questions except those specified should be questions of privilege; and by that undoubtedly it was intended to shut out those questions of constitutional privilege which by long practice had become established. But that was voted down. The House obviously thought that it was not safe to say that there should be no questions of privilege except these described in Rule IX. That was in 1880, and the House had then recently, in the Hayes-Tilden contest, had a very vivid experience how important a question of privilege might be when Speaker Randall, in a turbulent House and in a great emergency, when an element in his own party was endeavoring to filibuster against the counting of the vote, held that the law of Congress and the necessity of determining the election was above the rules of the House, and insisted that there should be a vote. The Chair thinks it quite natural that Members who had had that recent experience should feel that it was not safe to decide that there should be no other questions of privilege than these described.

But this Rule IX was obviously adopted for the purpose of hindering the extension of constitutional or other privilege.

If the question of the census and the question of apportionment were new questions, the Chair would rule that they were not questions of constitutional privilege, because, while of course it is necessary to obey the mandate of the Constitution and take a census every 10 years and then make an apportionment, yet there is no reason why it should be done to-day instead of to-morrow. It seems to the Chair that no one Member ought to have the right to determine when it should come in in preference to the regular rules of the House, but that the rules of the House or the majority of the House should decide it. But these questions have been decided to be privileged by a series of decisions, and the Chair recognizes the importance of following precedents and obeying a well-established rule even if it is unreasonable that this may be a government of laws and not of men.

Now comes the decision by Speaker Henderson which stands alone on all fours with the present case. Shall it be followed? If you will notice the ruling of Speaker Henderson, you will see that it was not a carefully reasoned opinion. It seems to have been an impulsive, offhand opinion. He says:

The Chair is unable to see why we should wander even among the precedents, which the Chair has looked over to some extent and which are all one way, when we have the plain language of the Constitution before us.

He does not consider it necessary to consider precedents, but relies on the plain language of the Constitution. But, as I have already indicated, I do not agree that the language of the Constitution gives any privilege superior to the rules of the House. The plain language of the Constitution simply provides for equal representation. But this resolution and the resolution upon which Speaker Henderson ruled did not provide that at all, it did not pretend to carry out the mandate of the Constitution. This resolution simply says the Committee on Census is directed to proceed forthwith to make diligent inquiry. An inquiry is all the resolution provides, and the Chair finds it difficult to see why on a new question Speaker Henderson ruled as he did if he had given the matter careful investigation. He himself said within a year of that time in passing on the question of the constitutional privilege of the census:

If this were an original question, the Chair would be inclined to hold that if the House adopts rules of procedure and leaves out any committee from the list of committees whose reports are privileged, that that committee would be remitted to those rules of procedure adopted by the House for its guidance.

He agrees with the present occupant of the chair that, except for precedent, the Committee on the Census could not claim the constitutional privilege.

Therefore it seems to the Chair, there being this one precedent, and no others, and the claim of the gentleman from Massachusetts [Mr. TINKHAM] being directly hostile to the control of the House over its own business, it being an attempt to broaden the figment of constitutional privilege, which in 1880 the House started to limit, and which it seems to the Chair for the orderly prosecution and control by the House of its business ought to be narrowed rather than broadened, the Chair sustains the point of order.

Mr. TINKHAM. Mr. Speaker, I most respectfully appeal from the decision of the Chair, and on that I ask for the yeas and nays.

Mr. MONDELL. Mr. Speaker, I move to lay the motion on the table.

Mr. TINKHAM. I hope the gentleman will withdraw that motion and have a straight vote of the House on the matter overruling a previous decision.

The SPEAKER. The Chair thinks it would be for the advantage of the House for the future to have a straight vote on the appeal. The Chair recognizes that this is a matter for the House to determine, and an appeal is entirely proper, and the Chair would be glad to have the gentleman from Wyoming withdraw his motion and have the vote come directly on the question.

Mr. MONDELL. Very well, Mr. Speaker, I withdraw the motion.

The SPEAKER. The question is, Shall the decision of the Chair stand as the judgment of the House? and on that the gentleman from Massachusetts demands the yeas and nays.

The question was taken; and there were—yeas 286, nays 47, not voting 96, as follows:

YEAS—286.

Ackerman	Dominick	Kline, Pa.	Roach
Almon	Drane	Knutson	Robertson
Andrews	Drewry	Kunz	Robsion
Anthony	Driver	Lanham	Rogers
Arentz	Echols	Lankford	Rose
Aswell	Elliott	Larsen, Ga.	Rouse
Atkeson	Elston	Larson, Minn.	Rucker
Bacharach	Evans	Lawrence	Sanders, N. Y.
Bankhead	Fairfield	Lazaro	Sanders, Tex.
Barbour	Faust	Leatherwood	Sandlin
Barkley	Favrot	Lee, Ga.	Scott, Mich.
Beck	Fenn	Lee, N. Y.	Scott, Tenn.
Beedy	Fisher	Lehlbach	Sears
Bell	Flood	Lineberger	Shaw
Benham	Focht	Linthicum	Shelton
Bixler	Fordney	Longworth	Shreve
Black	Foster	Lowrey	Sinclair
Blakeney	Frear	Luce	Sinnott
Bland, Ind.	Free	Lufkin	Slemp
Bland, Va.	French	McArthur	Smith
Blanton	Frothingham	McClintic	Smithwick
Boies	Fulmer	McKenzie	Snell
Bond	Funk	McLaughlin, Mich.	Speaks
Bowers	Garner	McLaughlin, Nebr.	Stafford
Bowling	Garrett, Tenn.	McLaughlin, Pa.	Steagall
Box	Garrett, Tex.	McSwain	Stedman
Brand	Gensman	Magee	Steenerson
Briggs	Gernerd	Mapes	Stevenson
Brinson	Glynn	Martin	Strong, Kans.
Britten	Goldsborough	Mead	Summers, Wash.
Brooks, Ill.	Gorman	Merritt	Sumners, Tex.
Brooks, Pa.	Graham, Ill.	Michener	Swank
Buchanan	Green, Iowa	Mondell	Sweet
Bulwinkle	Greene, Vt.	Montague	Swing
Burroughs	Griest	Montoya	Taylor, Colo.
Burtness	Griffin	Moore, Ill.	Taylor, N. J.
Burton	Hadley	Moore, Va.	Taylor, Tenn.
Butler	Hammer	Moores, Ind.	Temple
Byrnes, S. C.	Hardy, Colo.	Morgan	Ten Eyck
Byrns, Tenn.	Hardy, Tex.	Morin	Tillman
Campbell, Kans.	Harrison	Nelson, A. P.	Tilson
Campbell, Pa.	Hawes	Nelson, J. M.	Timberlake
Cannon	Hayden	Newton, Minn.	Tincher
Cantrill	Herrick	Norton	Towner
Carew	Hersey	O'Brien	Treadway
Carter	Hickey	O'Connor	Tyson
Chalmers	Hicks	Ogden	Underhill
Chindblom	Himes	Oldfield	Upshaw
Christopherson	Hoch	Oliver	Vestal
Clark, Fla.	Houghton	Olpp	Vinson
Clarke, N. Y.	Huddleston	Osborne	Voigt
Classon	Hudspeth	Paige	Volstead
Codd	Hull	Park, Ga.	Walters
Collier	Humphreys	Parker, N. J.	Ward, N. C.
Collins	Husted	Parker, N. Y.	Watson
Colton	Hutchinson	Parks, Ark.	Weaver
Connally, Tex.	Ireland	Parrish	Webster
Connell	Jefferis	Patterson, Mo.	White, Kans.
Cooper, Wis.	Johnson, Ky.	Patterson, N. J.	White, Me.
Copley	Johnson, Miss.	Peters	Williamson
Coughlin	Johnson, S. Dak.	Petersen	Wilson
Crisp	Johnson, Wash.	Porter	Wingo
Cullen	Jones, Pa.	Pringey	Winslow
Curry	Jones, Tex.	Purnell	Wood, Ind.
Dale	Kearns	Quin	Woods, Va.
Darrow	Kendall	Raker	Woodyard
Davis, Minn.	Ketcham	Rankin	Wright
Davis, Tenn.	Kiess	Ransley	Wurzbach
Deal	Kincheloe	Reece	Wyant
Dempsey	Kinkaid	Reed, N. Y.	Young
Denison	Kissel	Riddick	
Dickinson	Kleczka	Riordan	

NAYS—47.

Ansorge	Ellis	Greene, Mass.	Kraus
Cable	Fairchild	Hill	Little
Cooper, Ohio	Fish	James, Mich.	McCormick
Dallinger	Fitzgerald	Keller	McPherson
Dowell	Gahn	Kelly, Pa.	MacGregor
Dyer	Gallivan	King	Madden

Maloney	Newton, Mo.	Ryan	Vaile
Miller	Ramseyer	Schall	Walsh
Mills	Reavis	Sproul	Wheeler
Millspaugh	Rhodes	Stephens	Woodruff
Moore, Ohio	Ricketts	Thompson	Yates
Murphy	Rossdale	Tinkham	

NOT VOTING—96.

Anderson	Fields	Kreider	Rainey, Ala.
Appleby	Freeman	Lampert	Rayburn
Begg	Fuller	Langley	Reber
Bird	Gilbert	Layton	Reed, W. Va.
Brennan	Good	Lea, Calif.	Rodenberg
Brown, Tenn.	Goodykoontz	Logan	Rosenbloom
Browne, Wis.	Gould	London	Sabath
Burdick	Graham, Pa.	Luhring	Sanders, Ind.
Burke	Haugen	Lyon	Siegel
Chandler, N. Y.	Hawley	McDuffie	Sisson
Chandler, Okla.	Hays	McFadden	Snyder
Clague	Hogan	Mann	Stiness
Clouse	Hukriede	Mansfield	Stoll
Cockran	Jacoway	Mason	Strong, Pa.
Cole	James, Va.	Michaelson	Sullivan
Connolly, Pa.	Kahn	Mott	Tague
Cramton	Kelley, Mich.	Mudd	Thomas
Crowther	Kennedy	Nolan	Vare
Doughton	Kindred	Overstreet	Volk
Dunbar	Kirkpatrick	Padgett	Ward, N. Y.
Dunn	Kitchin	Perkins	Wason
Dupré	Kline, N. Y.	Perlman	Williams
Edmonds	Knight	Pou	Wise
Fess	Kopp	Radcliffe	Zihlman

So the decision of the Chair was ordered to stand as the decision of the House.

The Clerk announced the following pairs:

Until further notice:

Mr. MANN with Mr. KITCHIN.

Mr. LAYTON with Mr. KINDRED.

Mr. GRAHAM of Pennsylvania with Mr. COCKRAN.

Mr. HUKRIEDE with Mr. LOGAN.

Mr. KIRKPATRICK with Mr. JACOWAY.

Mr. LAMPERT with Mr. MANSFIELD.

Mr. MUDD with Mr. PADGETT.

Mr. APPLEBY with Mr. LYON.

Mr. BURKE with Mr. WISE.

Mr. CONNOLLY of Pennsylvania with Mr. POU.

Mr. GOOD with Mr. TAGUE.

Mr. RADCLIFFE with Mr. DOUGHTON.

Mr. SANDERS of Indiana with Mr. STOLL.

Mr. STRONG of Pennsylvania with Mr. FIELDS.

Mr. VOLK with Mr. THOMAS.

Mr. EDMONDS with Mr. LEA of California.

Mr. CROWTHER with Mr. DOMINICK.

Mr. BRENNAN with Mr. DUPRÉ.

Mr. DUNN with Mr. RAINEY of Alabama.

Mr. KREIDER with Mr. GRIFFIN.

Mr. LUHRING with Mr. RAYBURN.

Mr. CRAMTON with Mr. GILBERT.

Mr. BEGG with Mr. OVERSTREET.

Mr. CHANDLER of Oklahoma with Mr. SABATH.

Mr. LANGLEY with Mr. SISSON.

Mr. REBER with Mr. SULLIVAN.

Mr. PERKINS with Mr. LONDON.

Mr. BROWNE of Wisconsin with Mr. McDUFFIE.

Mr. WILLIAMS with Mr. JAMES of Virginia.

Mr. DUNBAR. Mr. Speaker, I desire to vote "yea." I was present listening, but was called out and unfortunately was out of the room when my name was called.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted Mr. BRENNAN until May 10, 1921, on account of official business.

ARMY APPROPRIATION BILL.

The SPEAKER. The question is on the motion of the gentleman from Kansas that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5010) making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Army appropriation bill, with Mr. TILSON in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. When the committee rose an amendment had been offered by the gentleman from Iowa [Mr. HULL], and a point of order had been reserved against the amendment.

Mr. WALSH. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment, as follows:

Amendment offered by Mr. HULL: Page 16, line 10, after the word "is," strike out the words "authorized in his discretion" and insert "directed under such reasonable regulations as he may prescribe"; in line 12, after the word "men," insert "serving in the continental United States"; line 13, after the word "discharges," insert the words "until the number in the Army has been reduced to 150,000 enlisted men, not including the Philippine Scouts."

Mr. WALSH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALSH. What was the point of order made against the amendment that has just been reported?

The CHAIRMAN. As the Chair now recalls it, it was that it is not germane to the paragraph.

Mr. WALSH. Has there been a discussion on the point of order?

The CHAIRMAN. There had not been any discussion. The point of order had not been made, it was reserved, so that debate was going on by unanimous consent.

Mr. HULL. Mr. Chairman, the point of order was reserved by the gentleman from Illinois [Mr. MCKENZIE].

Mr. WALSH. Mr. Chairman, is the point of order still reserved?

The CHAIRMAN. If nobody wishes to make it.

Mr. WALSH. I reserve the point of order.

The CHAIRMAN. Does the gentleman from Iowa wish to be heard upon his amendment?

Mr. HULL. Mr. Chairman, I spoke on Saturday in regard to it. I do not see how the point of order can be made against the amendment. The amendment is germane to the language of the bill. No point of order has been made against the language contained in the bill. My amendment simply changes the language that is in the bill, and it is surely germane. It changes it from an authorization to the Secretary of War to a direction to the Secretary of War.

Mr. JOHNSON of Washington. After all is said and done, one set of words will amount to the same as the other.

Mr. HULL. The same language exactly. One is a direction.

Mr. JOHNSON of Washington. It is not a direction; it is in his discretion.

Mr. HULL. One is mandatory in a way. It is more mandatory than it was in the original language.

Mr. McKENZIE. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McKENZIE. Mr. Chairman, there has been considerable discussion about the matter of the discharge of enlisted men from the service, and I have here a letter written by the Secretary of War to Mr. KAHN, the chairman of the Committee on Military Affairs, and I ask unanimous consent that that letter be read in my time.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read as follows:

WAR DEPARTMENT,
Washington, May 2, 1921.

Hon. JULIUS KAHN,
Chairman Committee on Military Affairs,
House of Representatives.

MY DEAR MR. KAHN: I have observed in the debate in the House of Representatives last Saturday some discussion on the power and authority of the Secretary of War to grant discharges to enlisted men of the Army on their own application.

Concerning this matter, I desire to say that I had gone into it after taking charge of the office of the Secretary of War, and I found that in the Digest of Opinions of the Judge Advocate General, 1912, page 441, the opinion stated: "Discharges by favor are illegal." As the opinion of the Judge Advocate General was not concurred in by certain Members of Congress, on April 21, 1921, I called again for a review of the matter by the office of the Judge Advocate General and asked the specific question, "In the absence of legislation, has the Secretary of War the power to discharge enlisted men by favor?"

The Acting Judge Advocate General, in an opinion rendered April 28, 1921, reviews the history of discharges and refers specifically to section 4, act of June 16, 1890 (26 Stat., 158), in which Congress permitted enlisted men to purchase discharge from the Army, and section 30, act of February 2, 1901 (31 Stat., 748), in which discharge on account of dependency is authorized. The Judge Advocate General quotes from a former opinion of his office, as follows:

"Prior to the passage of the act of June 16, 1890, it has been held by this office that the fourth article of war gave an unrestricted power to the President, the Secretary of War, and the commanding officer of a department to grant discharges. The purpose of the act of June 16, 1890, was evidently to restrict the authority granted by the fourth article of war to discharge by purchase only, except, of course, as to discharges for the benefit and convenience of the Government, not involving the distinction in principle that this law apparently established between discharges by favor and those by purchase, and the act of February 2, 1901, only served to extend the field of operation of this restriction to cases of dependent parents as the only exception to the rule. This would seem to be the only reasonable con-

struction to be placed upon these laws, as it must be quite clear that it could not have been intended as an enlargement of power, as the statutes in the more extensive power already granted naturally included that conveyed by the acts of 1890 and 1901. Then it must have been intended as a restrictive, if it is to be given any meaning at all.

"These two laws have been restated, with certain rules prescribed for carrying them into effect, in General Orders, 90, War Department, June 30, 1911, with a provision, as to that of June 16, requiring completion of one year's service before a discharge by purchase will be granted.

"* * *. It is my opinion * * * that the law on the subject of discharges by favor is correctly stated in paragraph 8, General Orders, 90, 1911:

"'Discharges *by favor* as distinguished from purchase are illegal and will not be granted, except under the conditions set forth in paragraph 9 of this order.'"

He reviewed at length the administrative application of this decision during the past 10 years, and gives his opinion as follows:

"That under the statute law and the long-established interpretation thereof and practice thereunder, the Secretary of War is not warranted in granting discharges by favor, except as specially authorized by Congress."

This interpretation of the statutes was recognized also by Congress itself in the act making appropriations for the Army, which failed of approval by the President of the United States in the Sixty-sixth Congress, since it was therein stated:

"And the Secretary of War is authorized in his discretion to grant applications for discharge of enlisted men without regard to the provisions of existing law respecting discharges."

Clearly, if the Secretary of War had the power to grant any applications of enlisted men for discharge, the enactment of such legislation would be unnecessary and useless.

Furthermore, this same language appears in the present Army appropriation bill, page 16, line 10, which was under discussion last Saturday, and confirms me in my belief that my legal advisers have been correctly interpreting the law in this matter.

I also have noted the case of Pvt. Patrick Dominic, which was discussed upon the floor of the House by Mr. DOWELL. In this case the law is mandatory and provides for discharge on account of dependency only for such disability as occurs "by reason of death or disability of a member of the family of the enlisted man occurring after his enlistment." The statement of Mr. DOWELL was that the death of the mother of this man had occurred before enlistment, and clearly the case could not be approved under the law.

Sincerely, yours,

JOHN W. WEEKS, *Secretary of War.*

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. Has the point of order been reserved

The CHAIRMAN. Yes. The gentleman from Massachusetts [Mr. WALSH] reserved the point of order.

Mr. ANTHONY. Mr. Chairman, in connection with the letter just read from the Secretary of War, and perhaps with a view of tending to clarify the point at issue, I ask that the Clerk read a copy of article 108 of the Articles of War, as enacted on June 4, 1920, that it may go into the RECORD.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

ART. 108. Soldiers—Separation from the service: No enlisted man, lawfully inducted into the military service of the United States, shall be discharged from said service without a certificate of discharge signed by a field officer of the regiment or other organization to which the enlisted man belongs or by the commanding officer when no such field officer is present; and no enlisted man shall be discharged from said service before his term of service has expired, except by order of the President, the Secretary of War, the commanding officer of a department, or by sentence of a general court-martial.

Mr. ANTHONY. Mr. Chairman, I make the point of order on the amendment offered by the gentleman from Iowa that it is new legislation.

The CHAIRMAN. The Chair would call the gentleman's attention to the fact that the paragraph which this amendment seeks to amend is entirely legislation.

Mr. ANTHONY. It is not germane.

The CHAIRMAN. The question of germaneness, in the opinion of the Chair, is the only question which can be raised at this time.

Mr. MONDELL rose.

The CHAIRMAN. Does the gentleman from Wyoming desire to be heard upon the point of order?

Mr. MONDELL. I desire to be heard upon the merits of the matter, if I may.

Mr. ANTHONY. Mr. Chairman, I reserve the point of order.

Mr. MONDELL. Mr. Chairman, I do not think the gentleman from Iowa [Mr. HULL] when he offered his amendment could have understood what its effect would be. He certainly does not want to make the Army of the United States a mere mob, he certainly does not want to render ineffective the Articles of War, and I am sure he does not want to create a condition under which a garrison could ground its arms at almost any moment and demand a discharge, and yet that might easily be the effect of his amendment.

And that is exactly what would be likely to happen if this amendment were adopted. The amendment provides, as I understand it—and the gentleman from Iowa will correct me if I am not correct—that the Secretary of War is directed to grant all applications for the discharge of enlisted men within the continental United States without regard to the provisions of existing law. In other words, he must, he is called upon, he is compelled forthwith to discharge every man who asks a discharge. Is not that the effect of the gentleman's language?

Mr. HULL. Why, certainly not.

Mr. MONDELL. Then, what is it?

Mr. HULL. Under such rules and regulations as the Secretary of War may prescribe.

Mr. MONDELL. Well, the gentleman from Iowa certainly does not intend the committee to believe that he offered a mandatory provision and at the same time expects the Secretary of War under the guise of rules and regulations to deny the mandate of the provision he offers. The provision now in the bill gives the Secretary of War full and complete authority, in his discretion, to discharge men on their request. The gentleman is not satisfied with that. He would direct the Secretary of War to discharge them on their application.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. If Congress directs the Secretary to discharge on application, the Secretary has no right, under any pretense of rules and regulations, to retain men in the service, and the gentleman knows it. If all the gentleman wants to do, all he desires to do, is to have the Secretary discharge men who apply for discharge when, in his discretion, they can be discharged without injury to the service, full authority for that is contained in the bill now.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. I yield.

Mr. GREENE of Vermont. Under the effect of the amendment, as the gentleman from Wyoming has stated it, if an enlisted man is under charges which would lead to his court-martial, and if pending the holding of that he would ask to receive his discharge, he would escape all penalty?

Mr. MONDELL. That is true; or if a company were ordered to duty, or a regiment or a command, and were lined up ready to march, they would have to be discharged on their application. Oh, the gentleman shakes his head, but if that is not the intent of the amendment, then, in Heaven's name, what is it offered for? If it is not a mandatory provision——

Mr. HULL. Will the gentleman allow me to answer?

Mr. MONDELL. What is it offered for? Under a strict interpretation of that direction no man could be court-martialed for refusing to disobey an order that might be issued after he had filed his request to be discharged.

The bill now gives the Secretary full authority to discharge men who apply for discharge when they can be discharged without detriment to the service, in the following language:

And the Secretary of War is authorized, in his discretion, to grant applications for discharge of enlisted men without regard to the provisions of existing law respecting discharges.

Mr. HULL. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. HULL. In the Articles of War read by the Clerk full authority is given to the Secretary of War to discharge. At the present time they are not doing it.

Mr. MONDELL. And the gentleman proposes to put in the law a mandatory provision under which every enlisted man in the Army of the United States could file his application for discharge and thereupon and thereafter refuse to obey orders. Gentlemen, it is all right——

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. MONDELL (continuing). For us to proceed reasonably in reducing the size of the Regular Army. No man on this floor, no man anywhere, has worked more earnestly and faithfully than I have to that end, in season and out of season, and at all times I have been endeavoring to reduce military expenditures. But, gentlemen, let us not make the Army of the United States a mockery and a mob. I will go as far as it is possible without injury to the service to reduce these expenditures. For two years I have been laboring with the House and the committees to reduce them, and we have reduced them far below the estimates, to a sum less than half of the estimates, but you can not overnight reduce a Military Establishment from 235,000 to 150,000 men without absolutely wrecking it and destroying its usefulness. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, it seems to me that the apprehensions of the gentleman from Wyoming [Mr. MONDELL] are not well founded, and it seems to me further that this amendment is a very proper corollary, though it may not be a wholly necessary one, to the amendment offered by the gentleman from South Carolina [Mr. BYRNES] adopted by the Committee of the Whole House on the state of the Union when this bill was last under consideration. The Byrnes amendment

reduced the appropriation. This amendment is designed to give direction for a reduction, a direction that it is in the power of the Congress to give. Now, gentlemen of the committee, particularly those of you who voted a reduction of the Army, I trust I may address you calmly and without any sort of political suggestion.

The late Secretary of War, Mr. Baker, has been very much criticized on the floor of the House and elsewhere because he indorsed the action of the General Staff in enlisting men far beyond the amount of the appropriation, thereby creating a deficiency. There has been no suggestion from any source that Secretary Baker or the General Staff violated any law in doing this. But the suggestion has been that they violated the will of Congress, because Congress had manifested its will by limiting the appropriation to an amount sufficient for an Army of 175,000 men.

I called attention to the fact when the Army appropriation bill was being discussed in the last session of the last Congress, that an amendment was offered here last May when the bill was up at that time limiting the size of the Army permanently to 185,000 men, and that that was voted down in the House by a vote of 222 to 115. And I suggested that the Secretary of War and the General Staff might find in that expression of the House at that time some justification at least for proceeding with the enlistments beyond the number that was appropriated for, to wit, 175,000; in that the Congress itself, although limiting the appropriation to 175,000 men, had refused to limit the Army to 185,000.

What is the practical situation confronting the Congress now in this matter? The Committee of the Whole by a very decided majority, with an unusually large vote, when this bill was last under consideration, adopted an amendment which cut the appropriation to 150,000 men, thereby evidencing the desire of this Congress at this time unquestionably to limit the Army to that size for the next fiscal year. Now, what is the situation, gentlemen? The present Secretary of War is not in sympathy with the position of Congress.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five additional minutes. Is there objection?

Mr. MONDELL. Mr. Chairman, I do not want to object, but the gentleman has used five minutes, but not on the point of order, and it seems as though that were a reasonable length of time to discuss the general proposition. The gentleman has not been discussing the matter under consideration at all.

Mr. GARRETT of Tennessee. I am endeavoring to reach the situation.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. I will say to the gentleman from Wyoming that personally I would prefer the point of order should be disposed of before I talk on the merits at all. But the gentleman himself was talking on the merits of the amendment and not upon the point of order when he spoke.

Mr. MONDELL. It seems to me, as the gentleman has not discussed matters relating to the point of order in five minutes, we should get to the discussion of the point of order.

The CHAIRMAN. The point of order was reserved to allow the gentleman from Wyoming to speak.

Mr. MONDELL. And I did speak for five minutes.

Mr. GARRETT of Tennessee. Mr. Chairman, I am perfectly willing to yield the floor if the point of order will be taken up.

Mr. ANTHONY. Let the Chair rule on the point of order and then we can proceed. Will the Chair rule on the point of order?

Mr. TOWNER. Mr. Chairman, I wish to discuss the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Iowa.

Mr. TOWNER. Mr. Chairman, the whole paragraph is subject to a point of order, as the Chair suggests. However, that point of order was not made. Therefore it becomes a part of the bill proper for consideration. Now, the point of order with regard to this particular amendment is that it is not germane. It seems to me that clearly it is germane. The particular sentence in the original bill is as follows:

The Secretary of War is authorized in his discretion to grant applications for discharge of enlisted men without regard to the provisions of existing law respecting discharges.

The amendment is as follows, so that that particular paragraph will read:

And the Secretary of War is directed under such reasonable regulations as he may prescribe to grant applications for discharge—

And so forth. So it will be seen, I think, clearly, by the Chair, that there is no question but what the amendment refers to the particular matter directly. In effect it only changes "is authorized in his discretion," and "directs" him. To say that is not a germane provision it seems to me is going altogether too far. So it appears that as far as the question of germaneness is concerned the amendment of the gentleman from Iowa [Mr. HULL] is clearly within the rule.

Mr. MONDELL. Mr. Chairman, I admit that the question is a rather close one, yet I am rather inclined to be and am of the opinion that the amendment is not germane. If it is germane, it is germane to the sentence, "The Secretary of War is authorized, in his discretion, to grant applications for discharge of enlisted men, notwithstanding the provisions of existing law." That is an extension of the discretion of a departmental officer under which, notwithstanding the provisions of the existing law, he may during the period that this bill is in force grant these discharges. It does not permanently amend the law. It enlarges, greatly enlarges, discretion within the law. What is now proposed is to change the law, at least while this bill is in operation, if not permanently, directing the Secretary of War to discharge enlisted men within certain limitations, and that is an amendment to a provision under which we simply enlarge his discretion.

I do not find in hurriedly examining the precedents one absolutely in point, but a number very similar.

A specific subject may not be amended by a provision general in nature.

To a bill for the admission of one Territory into the Union, an amendment providing for the admission of several other Territories is not in order.

Two subjects are not necessarily germane because they are related.

To a proposition relating to the terms of Senators, an amendment changing the manner of their election is not in order.

To a bill relating to commerce between the States, an amendment relating to commerce within the several States is not in order.

To a proposition for the appointment of a select committee to investigate a certain subject, an amendment proposing an inquiry of the Executive on that subject is not in order.

To a bill giving a right of way to a railroad, an amendment providing for the purchase of the railroad by the Government would not be germane, and so forth.

To a general tariff bill, an amendment creating a tariff board would not be germane, and so forth.

In the case before us the subject is not identical, and under the rule, even if the subject were identical, it is not necessarily in order because it treats the subject matter in an entirely different way.

I think that under the practice and decisions as to germaneness the amendment offered by the gentleman from Iowa is not in order.

Mr. GREENE of Vermont. Mr. Chairman, the argument is made in favor of the amendment of the gentleman from Iowa [Mr. HULL] that matter on the same general subject being included in the bill as presented by the committee, and no point of order lying thereto, although plainly subject to a point of order, an amendment that relates to that general subject must in itself be in order because no objection was made to the original text of the bill.

It seems to me that is straining at the effect of words in rhetoric rather than a consideration as to the effect of things really intended to be indicated by words as parts of language. The House may waive its right to object to the original text in respect to certain activities of government because it is clearly in sympathy with the purpose embodied in the language, but I doubt if it would be logical to hold that then a man, by simply seizing upon the face of these words relating to an activity or establishment or an institution, may introduce matters of a different effect and may hang his hat, as it were, on the text of the bill simply because the words seem to be of like effect. The House would waive its jurisdiction because it was satisfied with the meaning of the text.

Now, this amendment seeks to take the same words and put a different construction upon them, a construction not to the same intent, and uses arbitrarily certain words and forms in the bill as presented as the hook upon which the mover of the amendment can hang his own amendment, which will mean another

thing. I doubt if that will come within the restriction of germaneness.

The CHAIRMAN. The Chair is ready to rule. This is a general appropriation bill. The paragraph beginning at the bottom of page 15 and ending on line 13 of page 16 is clearly legislation, and would have been subject to a point of order had anyone raised that point of order. That point of order, however, was not raised. Now comes the gentleman from Iowa [Mr. HULL] and offers an amendment, to which a point of order is made on the ground that it is not germane to the paragraph in the bill.

It is not within the province of the Chair to decide as to the merits of the proposition. Personally, as a Member of the House, the present occupant of the chair would be opposed to the adoption of such an amendment and therefore does not approach the consideration of it with any predilection in favor of holding the amendment to be in order. The question is, Is it germane under paragraph 7 of Rule XVI? This paragraph of the rule reads:

And no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

This question of germaneness has been considered in a great number of decisions, all turning upon this one point: When is a proposition or subject different from that under consideration? The subject under consideration in this paragraph is, in the first part of it, the discharge of men under 18 years of age. If it stopped there, then this paragraph might be held out of order as introducing a new subject. But it does not stop there. It goes further. The Chair will read the last clause of the paragraph:

And the Secretary of War is authorized in his discretion to grant applications for discharge of enlisted men without regard to the provisions of existing law respecting discharges.

What is the subject of consideration in this part of the paragraph? It is the discharge of men from the Army. It provides a method; that is, that the Secretary of War is authorized in his discretion to grant applications for discharge, and so on, without regard to the existing law. The amendment proposes a somewhat different way, and yet in the opinion of the Chair it clearly relates to the same subject, in that the Secretary of War is directed, under such reasonable regulations as he shall prescribe, to grant applications for the discharge of enlisted men, without regard to the provisions of existing law respecting discharges, until the number has been reduced to 150,000 enlisted men.

The Chair is unable, after a review of a number of decisions, to discover such difference in subject matter as would warrant the Chair in holding that this amendment is not germane to the paragraph. Therefore the Chair overrules the point of order.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman from Kansas [Mr. ANTHONY] yield me five minutes?

Mr. HULL of Iowa rose.

The CHAIRMAN. The Chair will first recognize for five minutes the gentleman from Iowa [Mr. HULL], who offered the amendment.

Mr. HULL. Mr. Chairman and gentlemen of the House, I trust no one thinks I am trying to convert the United States Army into a mob. I have been on the Committee on Military Affairs for some six years, and have tried as best I could to study military problems. I know that this amendment will not hurt the United States Army at all. In the first place, it only calls for a reduction of the Army to the number that you have appropriated for, 150,000 men. That is the first thing; and the next thing is that it simply, instead of authorizing the Secretary of War directs the Secretary of War to discharge these men.

Mr. MONDELL. Mr. Chairman, will the gentleman yield right there?

Mr. HULL. Yes.

Mr. MONDELL. The gentleman did not intend that contradiction in terms, I am sure. He said it directs the Secretary of War in his discretion. Just how do you direct an officer in his discretion?

Mr. HULL. Under such rules and regulations as he may prescribe. That is his discretion.

Mr. MONDELL. When you direct an officer to do a thing and then say it shall be under rules and regulations in his discretion it is not a direction.

Mr. HULL. That, I will admit, if the gentleman from Wyoming wants to know, is not as strong as I wish it were.

Mr. MONDELL. How can you make it stronger?

Mr. HULL. You are dealing with the General Staff, not with the Secretary of War; and I know the General Staff.

Mr. MONDELL. You are dealing with the defense arm of this Government. That is what you are dealing with.

Mr. HULL. And I am perfectly amazed at the way in which the General Staff has gassed, camouflaged, and used poison gas on the gentleman from Wyoming. [Laughter.]

Mr. MONDELL. That pleases the gentleman from Iowa and does not worry me.

Mr. HULL. I understand that nothing worries the gentleman from Wyoming. But I call the gentleman's attention to the fact that whereas he says he has been trying to get the Army reduced, instead of being reduced since we came into power last December the Army has been increased. Now, I propose to get it decreased in a sane and sensible way by discharging the men who want to get out. Do you know what the General Staff wants to do?

Mr. MONDELL again rose.

Mr. HULL. I can not yield all my time, but go ahead. I will ask for five minutes more.

Mr. MONDELL. The gentleman wants to be accurate?

Mr. HULL. Certainly I do.

Mr. MONDELL. He says "since we came into power in December." Do I understand him to mean that Mr. Wilson's term ended in December, and that the term of the late unlimited Secretary Baker ended in December? He increased the Army until by a mandatory resolution we compelled him to desist; but the Army has been reduced steadily and as rapidly as it could be——

Mr. HULL. Not since the 1st of December.

Mr. MONDELL. Since the 4th of March.

Mr. HULL. Oh, yes; but it is only down 2,000, which is a great reduction in 60 days!

Mr. BARKLEY. The General Staff did not go out of office on March 4, did they?

Mr. HULL. When I speak of those who want to reduce the Army, I understand that gentlemen on that side are just as anxious as we are to reduce the Army; but if we had passed a resolution on the 1st of December last stopping enlistment, as should have been done, your Army would have been down to-day to less than 175,000 men. [Applause.] We all know that. But they are still paying a bonus, and they are still not letting the men out who ought to get out, men who are needed at home; and I simply propose to direct the General Staff to let those men out, provided they can be spared. Their rules should govern that point.

Mr. McKENZIE and Mr. JOHNSON of Washington rose.

The CHAIRMAN. Does the gentleman from Iowa yield; and if so, to whom?

Mr. HULL. I yield to the gentleman from Washington.

Mr. JOHNSON of Washington. I want a little information.

Mr. HULL. I shall be glad to give it to the gentleman if I can.

Mr. JOHNSON of Washington. Suppose the gentleman's amendment should become a law, and suppose three-quarters of the men in the Army ask to be let out, how would the selection be made as to those who should go out?

Mr. HULL. They would let out those who could best be spared.

Mr. JOHNSON of Washington. But suppose they should all want to be spared.

Mr. HULL. The officers of the Army would be the best judges of that.

Mr. JOHNSON of Washington. If I was in the Army as a private and wanted to be let out, and they decided that I could not be spared and that my colleague could be spared, would not I be a little sore about it?

Mr. HULL. That is the only way it can be done. You should let out the men who want to get out, provided they can be spared from their organizations.

Mr. JOHNSON of Washington. Would not that in the very nature of things make trouble?

Mr. HULL. No; it would not.

Mr. JOHNSON of Mississippi. The gentleman's amendment provides that it shall be done under such reasonable rules as may be prescribed.

Mr. HULL. Yes. We all understand that the rules are to be reasonable.

Mr. McKENZIE. Will the gentleman from Iowa yield?

Mr. HULL. I yield to the gentleman from Illinois.

Mr. McKENZIE. The gentleman from Iowa is opposed to discharging a man from the Army before the expiration of his enlistment, is he not?

Mr. HULL. Certainly, unless he wants to be discharged.

Mr. McKENZIE. How many applications has the gentleman received from his district of men who want to get out of the Army?

Mr. HULL. When that same question was asked me the other day I thought I had about 25. I think probably in my

district there are about 200. If there are 200 men in every district in this country who want to get out of the Army, you will have provided for all the discharges you can afford under this amendment, and it will bring your Army down to 150,000, and the men whom I want to see get out of the Army are the men who are writing to you and appealing to you for the sake of their families to let them go home. I think we should let them go, provided, of course, they can be replaced.

Mr. BLANTON. Will the gentleman yield?

Mr. HULL. Yes.

Mr. BLANTON. The gentleman from Iowa has well spoken of the fact that there are men on both sides of this House who want the Army reduced. I want to ask him if it is not a fact that the reason the Army has not been reduced is because there are men in the House who do not want it reduced, but want to keep it up in accordance with the wishes of the General Staff?

Mr. HULL. Oh, yes; that is true, and we all know that the General Staff controlled the Democratic administration and that they put it up too high. [Laughter.] We are trying to cut it down.

Mr. BARKLEY. Will the gentleman from Iowa yield for a question?

Mr. HULL. Yes.

Mr. BARKLEY. Has there been any easing up of the regulations of the department since we passed our resolution here in December with reference to reducing the size of the Army? In other words, has it been any easier to get a man out than it was in the winter?

Mr. HULL. Not one bit easier.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FISH. I ask unanimous consent that the time of the gentleman from Iowa be extended five minutes.

Mr. ANTHONY. I shall have to object to that.

The CHAIRMAN. The gentleman from Kansas objects.

Mr. ANTHONY. Mr. Chairman, I think the amendment of the gentleman from Iowa [Mr. HULL] would be an exceedingly dangerous proposition to put into this bill. The amendment by the gentleman from South Carolina [Mr. BYRNES] to the bill provides that the amount for pay shall be reduced to that required for 150,000 men, and the Borah amendment then directs that the Secretary of War shall reduce the Army to conform to the amount of money which we appropriate in this bill. By the amendment of the gentleman from South Carolina you cut the appropriation to $73,000,000. The language is very positive and plain that the Secretary of War shall not maintain an Army of a size larger than the amount of money appropriated will provide for. There is no necessity of the amendment offered by the gentleman from Iowa [Mr. HULL], because the language in the bill will carry out practically that same purpose. But the language that the gentleman proposes to put in the bill is dangerous, as the gentleman from Wyoming [Mr. MONDELL] has pointed out. Our provision in the bill authorizes the Secretary of War in his discretion to grant discharges. It is necessary that the Secretary of War shall have that discretion. If you do as is proposed in this amendment and direct the Secretary of War to discharge every man who makes a direct application, our Army will degenerate into a mob. You are liable to have men stationed at some of the most critical points in the service suddenly decide that they want to go home en masse, and under the language of the gentleman's amendment the Secretary of War would be compelled to grant them their discharges. The gentleman from Iowa [Mr. HULL] says he does not mean that the privilege shall be exercised in that arbitrary manner, but he means that the Secretary of War shall still have discretion. We provide that the Secretary is authorized to grant discharges in his discretion.

If there is to be no change in purpose what is the use of offering such an amendment as that offered by the gentleman from Iowa? That there is a purpose in the amendment you may gather by the language used by the gentleman on Saturday last. On page 856 of the RECORD, speaking to his amendment, the gentleman said:

> This simply allows them to get out on their own request, but the Army is not forced to discharge the men unless the men ask to be discharged. You are going to bring the Army down to 150,000. Let the men select themselves—those who want to get out and let them go out; that is all.

That is the Russian soviet system, and we are not yet ready to adopt that sort of system in the American Army. [Applause.]

Mr. COOPER of Wisconsin. Mr. Chairman, I move to strike out the last word. I rise simply to say that I can not understand the interpretation which gentlemen seek to put on the amendment offered by the gentleman from Iowa [Mr. HULL]. It is impossible for me to understand any such interpretation as being a legitimate construction of the language of the amendment:

> And the Secretary of War is directed under such reasonable regulations as he may prescribe to grant applications for discharge of enlisted men serving in the continental United States, without regard to the provisions of existing law respecting discharges until the number in the Army has been reduced to 150,000, not including the Philippine Scouts.

The gentleman from Kansas has just said that if a body of men wanted to leave the Army they would force their discharges and make the Army a mob. Now, I do not understand that to be true at all. For this amendment provides that they are to be discharged under rules and regulations to be prescribed in advance by the Secretary of War. He will prescribe that so many applications from this place shall be considered, and so many from another place 500 miles away, and from another 1,000 miles away; there would not be a forced wholesale discharge en bloc because the Secretary of War himself would make the rules and regulations under which discharges are to be made. We have appropriated only a sufficient amount of money to pay for the support of an Army of 150,000 men, and we shall by the amendment offered by the gentleman from Iowa bring the Army down to that number. And in my judgment it is time for the Republicans on this floor to show by their vote whether they mean or do not mean to carry out the wishes of the taxpayers of the United States and reduce to a reasonable number the Army of the United States. [Applause.]

Mr. HUSTED. Will the gentleman yield?

Mr. COOPER of Wisconsin. I will.

Mr. HUSTED. The gentleman will admit that under the reasonable rules and regulations, first, that the Secretary of War can not discharge at his discretion, and second, that the reasonableness of the rules might be made a question of law.

Mr. COOPER of Wisconsin. No; there is a fallacy in the gentleman's statement. The Secretary of War would make reasonable rules and regulations, and then entirely in his discretion select the men to be discharged. Certainly he would not leave it to them to say that because they had filed applications they had an absolute right to be discharged. Not at all. But he would pick out so many here and so many there, and in this way select men so as to not cripple any branch of the Army, and do all this wholly in his discretion.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. JOHNSON of Washington. The Congressman who could reach the ear of the Secretary of War would get his man out, and the Congressman who did not reach the ear of the Secretary of War would not get his out.

Mr. COOPER of Wisconsin. Well, so long as human nature is constituted as it is, there might possibly be some favoritism, but I would not impute it in advance to the Secretary of War. I think he would make reasonable rules and regulations and then exercise his authority and discretion honorably. The fact is that some of you gentlemen propose that the Army shall not be reduced in size, and some of us propose that it shall be. [Applause.] So far as I am concerned I shall vote with great pleasure to help enact into law the amendment offered by the gentleman from Iowa, with a view to a partial redemption of the promise of the Republican Party that wherever reasonably possible there shall be disarmament. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, there is no use mincing words about this matter and no use trying to deceive ourselves. Those who are opposed to the reduction of the Army to 150,000 men are not going to vote for the Hull amendment. But the majority in this Committee of the Whole by a very decisive vote on Saturday last, when this bill was under consideration, evidenced its intention that the Army be reduced to 150,000 men. I regard the amendment of the gentleman from Iowa as a very proper, if not a wholly necessary, corollary to the amendment offered by the gentleman from South Carolina [Mr. BYRNES] and adopted by the Committee of the Whole. What has occurred? Let me repeat for the benefit of gentlemen who came in since I spoke a few moments ago. Last May an amendment was offered to recommit the Army bill that was then up so as to provide that the Army should not consist, except in case of emergency, of more than 183,000 men. That was voted down, 222 to 115. The late Secretary of War, Mr. Baker, approved the action of the General Staff when it continued to enlist men beyond the 175,000, payment for which was appropriated for. He had the clear right to do it. He violated no law.

Gentlemen on the Republican side of the House have criticized the late Secretary of War because he did that. They have insisted that they fixed the Army at 175,000 because they merely appropriated for that number, and we have refrained from criticism of the Secretary of War, and it was natural that

we should do so. But, gentlemen, you have the same General Staff now that you had then. You know that the present Secretary of War is opposed to the reduction of this Army to 150,000 men. Congress, representing the people, has voted its desire for its reduction to 150,000 by cutting the appropriation, and now you have it within your power to bring about that which you have said you desired by the adoption of this Hull amendment, and I submit that it ought to go in. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. If I have time.

Mr. BLANTON. I want to ask the gentleman if he does not believe that even if our friend from Iowa [Mr. HULL] or our friend from South Carolina [Mr. BYRNES] were now Secretary of War that the General Staff would be able, through the power that they usually exert on Secretaries of War, to seduce him into being in favor of a large Army within a week?

Mr. GARRETT of Tennessee. I can not say, but I remember distinctly that the gentleman from Illinois [Mr. MANN] said in substance in the last Congress when Secretary of War Baker was being assailed, "I do not know how long before the General Staff will get our Secretary of War, it may be three months or longer, but eventually they will get him." [Laughter.]

Mr. HUMPHREYS. Mr. Chairman, I have an amendment to the amendment.

The CHAIRMAN. The Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HUMPHREYS to the amendment offered by Mr. HULL: Page 16, line 11, strike out the words "grant applications for," and in line 12 strike out the word "of," so that the paragraph as amended will read: "of acceptance for enlistment; and the Secretary of War is authorized in his discretion to discharge enlisted men without regard to the provisions of existing law respecting discharges."

Mr. HUMPHREYS. Mr. Chairman, that would obviate the objection which has been urged that we would create a soviet in the Army by permitting any man who wished to get a discharge to violate any of the regulations that he chose to, knowing that he could not be punished, because he would be entitled to a discharge upon application; but it would direct that the Army be reduced to the figure fixed by Congress. I am in favor of a small Army, and have always been. I do not know whether it ought to be 150,000, 175,000, or 168,000, and I do not think that Congress has any very fixed opinion on the subject. At the last session we passed a resolution fixing it at 175,000, and then we passed the Army bill fixing it at 156,000. It is now reported out at 168,000, and by an amendment which we agreed to the other day we made it 150,000. I do not know just which one of those figures is correct, but our last guess is 150,000. Whatever the reduction is to be, it ought to be in an orderly way, not by the summary process which we are providing here. We have 232,000 men in the Army, and it is proposed to reduce that to an average of 150,000. It was said that the Secretary of War could, if he would, reduce it to 150,000 by the 1st of July. In my opinion, that would be utterly impossible, if he had any sort of regard to intelligent selection among the men to be discharged. That would mean from two to three thousand men a day. That can not be done with any regard to the efficiency of the Military Establishment. In my opinion, it will take at least six months to muster out the 82,000 men in the Army which would reduce it to the 150,000 provided for, properly to allocate those discharges in all the various branches of the service, as the units are distributed about the country.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS. In a moment, when I finish this thought. If we are to have an average of 150,000 for the next fiscal year, that means that for the first six months we will have much more than 150,000 and for the last six months very much less than 150,000, so that at the end of the next fiscal year we will probably have 100,000 men, or possibly 110,000. As soon as that is done, if we are to have 150,000 men in the Army, the Secretary of War will immediately have to begin to recruit the Army back to the figure we have fixed on—150,000 men.

Of course, whenever a man is discharged he is entitled to travel pay, commutation, and so forth, and when he is enlisted, our experience shows that it costs $100 each to enlist new men. If we are to reduce the Army below 150,000 down to 100,000 or 110,000, we will then have to reenlist 40,000 or 50,000 men at a very considerable cost. I submit that is not the wise or the economical way to proceed. We ought to provide that the Secretary of War shall reduce the Army in an orderly way, intelligently, with discrimination, with a view to the efficiency of the force, until it gets to the figure where we think it belongs, 150,000, or 168,000, or 175,000, or whatever is finally fixed upon, and when it gets there to stop—not to proceed as we do in the various departments here in Washington, discharge men every day and hire others—discharge forty or fifty thousand men and then proceed at once to enlist that many more. It is said that we have to take that unwise course because it is the only way that we can control the Secretary of War. I do not believe that myself. I hold no brief for the Secretary of War. He is a Republican, and I am a Democrat. He served in this House many years, and all of us, or at least all the older Members, know him. I know nothing in his record that indicates that he is touched with the spirit of militarism, and I do not believe there is any warrant for the statement that he can or will be dominated by the General Staff. It is a confession of weakness, a confession of inefficiency on the Republican side of the House, to say that you can not write a sensible law to direct the Secretary of War to reduce the Army to the point to which you think it ought to be reduced. You have a majority of 170 here in the House, twenty-odd majority in the Senate, and the President in the White House, yet you say you can not pass a law that will intelligently reduce the Army down to the figure where you think it belongs unless you hamstring the Secretary of War. What kind of a political organization was it which came into power on March 4 if this be true?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HUMPHREYS. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HUMPHREYS. I do not think I shall take the five minutes. It occurs to me, first, to avoid the danger suggested just now, that you could not enforce discipline in the Army if a man knows that he can get a discharge upon application, that we should adopt the amendment that I have suggested. You will accomplish the result you have in mind by directing the Secretary of War to reduce the Army to that point to which you think it should be reduced, be that whatever you may finally conclude, 150,000, 156,000, or 168,000, or what not, and still permit him to proceed with some intelligence. Instead of going to the extraordinary expense, $100 each, of reenlisting 40,000 or 50,000 men, you will have an Army of 150,000, if that is the figure you fix on, and you will have done it in an orderly way, in an intelligent, and in a discriminating way.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS. I yield first to the gentleman from Virginia.

Mr. MOORE of Virginia. Mr. Chairman, I am in sympathy with the general proposition which the gentleman has advocated. I merely wanted to get his view as to why the action proposed to be taken by the Secretary of War should be confined to soldiers in the United States.

Mr. HUMPHREYS. As I was told the other day in response to exactly that same question, it would not do to require him to muster out men who are in the Philippines or in the Canal Zone or in Alaska for reasons that I think are patent.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. HUMPHREYS. Yes.

Mr. BARKLEY. If I understand the effect of the gentleman's amendment, it is that the Secretary of War is directed to discharge men without regard to whether they apply for a discharge?

Mr. HUMPHREYS. That is correct.

Mr. BARKLEY. Would not that result in men being retained who would like to be out and other men being discharged who would like to be in?

Mr. HUMPHREYS. Undoubtedly; but when a man in time of peace deliberately enlists in the Army he ought to do it seriously; and when the Government trains that man at great expense and he becomes learned in some technical branch of the service and so becomes efficient and is able to train other men and to do things necessary to have an efficient Military Establishment I can see no reason for discharging him simply because he says that he would like to get out.

Now, there may be some other men in the Army who are less efficient but who like the job, perhaps because they can do better in the Army as a private than anywhere else, yet the Secretary of War, if given the opportunity, if given time, if not forced to proceed in a summary manner, might be able to segregate those and pick out the men who ought not to be in and who could best be spared, even if they wanted to stay in, and turn them out.

Mr. OLIVER. Will the gentleman yield?

Mr. HUMPHREYS. I will.

Mr. OLIVER. Does the gentleman think the Congress has the right to authorize the Secretary of War to violate a solemn contract made between the Congress and the enlisted man if he

does not wish to leave the service and we direct that he shall leave the service?

Mr. HUMPHREYS. I do not think there is any question about that.

Mr. OLIVER. What is the authority the gentleman refers to as granting that right?

Mr. HUMPHREYS. I refer to the statement of the chairman of the committee here the other day who read the statute, and the reservation, as I understood him, is in every enlistment, that a man may be discharged at the discretion of the Government.

Mr. OLIVER. Unquestionably the legal authorities have advised us we have not the right, and the gentleman is assuming that the legal authorities who gave the opinion were in error?

Mr. HUMPHREYS. If we have not the right to do it, of course, we are wasting time here talking about reducing the Army. If these 232,000 men have been fixed upon us for all time to come or until their enlistment expires there is no use discussing the matter at all. I was proceeding upon the accuracy of the statement the chairman of the committee made the other day that there was no question that we had the lawful right to muster out men whenever, in the opinion of the Secretary of War, it was desirable to do that.

Mr. BLANTON. Will the gentleman yield?

Mr. HUMPHREYS. I will.

Mr. BLANTON. We will not have any trouble about reducing because there will be enough men who will want to go out, who will make application for it, if the Hull amendment passes.

Mr. HUMPHREYS. I do not think it should be limited to them.

It will necessarily require time in which to reduce these forces intelligently, but if we instruct the Secretary of War to dismiss every man who applies wherever he may be, regardless of the expense we have been to in equipping him for the particular position he now holds in the Army, and of the particular and may be imperative need for his services at the time, no man can tell just what confusion will be created or what the disaster to the efficiency, to say nothing of the morale, of the Army will be.

Of course, there are many cases which will arise, as they have always arisen, which will justify an enlisted man in asking for his discharge ahead of time. Conditions may have arisen since his enlistment which would make it vitally necessary for him to return to civil life. These exceptional cases, of course, should all be dealt with upon their peculiar merits, and the man given his discharge in spite of the inconvenience or loss to the Army of his services, but I do not think we could justify a law which would direct the Secretary of War to discharge every man who makes application therefor and without showing any reason whatever except his own desire to leave the service.

It occurs to me that this summary process would be penny-wise and pound-foolish.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANTHONY. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto be closed in 10 minutes.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that all debate on the paragraph and all amendments thereto be closed in 10 minutes. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object——

Mr. HULL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi.

Mr. JOHNSON of Mississippi. Mr. Chairman, regular order. I object.

Mr. ANTHONY. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. GOOD. Mr. Chairman——

The CHAIRMAN. The gentleman from Iowa.

Mr. GOOD. Mr. Chairman, when the estimates for national defense for next year, which were made by the former administration, came before the Congress they were for $1,411,000,000. A Republican Congress reduced those Democratic estimates by bills we have put through to $735,000,000. I do not like to see my side of the House put in the position of being incapable of comprehending the game that is being played by our Democratic friends. Now, what have we done? We have put in this bill three things that will restrict the Secretary of War as to the size of the Army. One is the provision in relation to the size of the Army. The next is the provision that you are trying to amend, and the third is the Borah amendment, and I say to you if we pass this bill in my opinion we will do much to nullify the Borah amendment, which is one thing which we must look to for a reduction in the Army. If you will turn to page 22 of the bill you will find this language:

That the Army shall be reduced by the Secretary of War so that the sum herein appropriated shall defray the entire cost of the pay of the officers and enlisted men of the line and staff during the fiscal year ending June 30, 1922.

How can you employ language more plain than that, and those of us who know John W. Weeks, the Secretary of War, by his service in this House know that he will do what the former Secretary of War failed to do, and that is to obey the law. The former Secretary of War, authorized by the appropriation law to employ in the service only 175,000 men, increased the size of the Army to 235,000 men, in violation of that law and the antideficiency act, and yet there was not a man on that side of the House who dared to arise and ask that he be impeached for that unlawful act; not a man, and yet we all knew we could not put through any impeachment proceedings unless it came from that side of the House. Now, I will say to this side of the House, because that side of the House will vote almost to a man for this proposition, here is a bill that has been well considered, here is a proposition that has been well considered, and I want to tell you that whatever you do this afternoon, let us unite and maintain the integrity of the Secretary of War. Let us give him a provision so that by his execution of the law he can reduce the size of the Army to the size required by Congress in his own way so that he brings it within that of the appropriation. [Applause.] Lets give him a chance to bring about the reduction without injury to the Army. Lets give him a fair chance, and this amendment takes from him the opportunity to administer his office in a businesslike way. This amendment will please the Democratic side of the House if it is agreed to, but it will certainly not bring joy to this side of the House. When these matters first came before the Committee on Appropriations I asked the Committee on Military Affairs to reduce the size of the Army, if possible, to 150,000 men. I did not then know the former Secretary of War would increase the size of the Army as he did. Personally, I think that is enough, but I fear the present Secretary of War will have great difficulty to so undue the wrongful acts of his predecessor as to permit it, but you should not by this action or by this proposed amendment punish the present Secretary of War for all the sins of his predecessor.

Mr. BLACK. Will the gentleman yield?

Mr. GOOD. Yes; for a question.

Mr. BLACK. We now have a law providing that the Army shall be reduced to 175,000 men, have we not? Can the gentleman tell me——

Mr. GOOD. No; we have no such law. We have an appropriation act and we have a deficiency law which provides that the Secretary of War is confined to the expenditure contained in that act.

Mr. BLACK. But did not the gentleman say that Secretary Baker violated the resolution——

Mr. GOOD. No; I said he violated the law which was the appropriation act of last year and the antideficiency act. We only appropriated for 175,000 men and he enlisted 235,000 in violation of law.

Mr. BLACK. Working upon that same fiscal year, what has Secretary Weeks done toward reducing the Army?

Mr. GOOD. We are passing another law. He stopped enlistments, and Secretary Baker was going on and on every day enlisting men as far as he could do so, until prevented by the passage of a resolution, and was sending out advertisements that were as false as printer's ink could make them, trying to get these boys into the service. We should now give the present Secretary of War a chance to bring order out of chaos by permitting him to reduce the Army to the size required without doing a positive injury to the Army.

Mr. BYRNES of South Carolina, Mr. JONES of Texas, Mr. QUIN, Mr. CONNALLY of Texas, Mr. WINGO, Mr. HULL, Mr. GREENE of Vermont, and Mr. FISH rose.

The CHAIRMAN. The gentleman from South Carolina [Mr. BYRNES], a member of the committee, is recognized.

Mr. BYRNES of South Carolina. Mr. Chairman, I intend to say but a few words.

The gentleman from Iowa [Mr. GOOD] can always be depended upon to arouse considerable enthusiasm, and whenever those in charge of a bill are in trouble I think he is a good man to call to the rescue. But it does well to call attention to the facts as we go along. The facts are that by joint resolution this Congress provided—

That the Secretary of War be, and he hereby is, directed and instructed to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000.

Now, the fact is, while we were debating that resolution the War Department went ahead enlisting men as fast as they could. Unlike the gentleman from Iowa, I am not claiming all

the virtue in the world for the Secretary of War who happened to be of my own political persuasion. In direct violation of what he certainly must have understood to be the intent of the Congress, he continued to enlist men while it was being debated. But not after it became law, as the gentleman from Iowa says. After the resolution passed over the veto of the President, he did nothing of the kind. The gentleman is misinformed. He is called in as a pinch hitter and has not had such opportunity to familiarize himself with conditions as have gentlemen on the subcommittee. The truth is, the Secretary carried on enlistments until the day we passed the joint resolution over the veto of the President. Then he had to cease it, and he did cease it.

The gentleman says that no man rose to criticize the Secretary of War. That, of course, is said in order to arouse a little feeling on the Republican side in the consideration of the question. What is the fact? The resolution passed this House; it went to the Senate; it went to the President, our President, and he vetoed it.

It came back to this House, and if you will look at the RECORD you will see that about 90 per cent of the Democratic Members on this floor voted to override the veto of the Democratic President and voted for the adoption of this resolution calling for 175,000 men. It then went to the Senate, and, as I recall, practically every Democratic Senator voted to override the veto of the Democratic President. So my friend can not, in order to save what appears to be a sinking ship, come in here and arouse political and partisan feeling over the question that has been raised by the amendment of the gentleman from Iowa [Mr. HULL]. Now, what is the fact? Since March 4 my good friend, ex-Senator Weeks, now Secretary of War, has come under the influence of the General Staff. Let me show you the report of the gentleman from Kansas [Mr. ANTHONY]. Look on page 3, and you will see a letter from the present Secretary of War, John W. Weeks, in which he says:

The scheme marked No. 1, alternative A, is the one which I recommend for adoption.

Let us see what it does. It provides for an average enlisted strength for the next fiscal year, not of 150,000 men, which this Congress has said should be the enlisted strength; not of 175,000 which the Congress by resolution directed should be the number for the fiscal year ending July 1, but of 185,009 men. He even wants 9 over the 185,000 as the average enlisted strength for the next year. He exceeds in his estimates, just as his predecessor did in his views, what the Congress says shall be the enlisted strength for the next fiscal year. And you therefore are called upon to say whether you are going to let this department dictate what the Congress under the Constitution should do, because it is our duty, and the power is vested in the Congress, to fix the enlisted strength. They do not come into court with clean hands when they ask for an increase on the ground that they are unable to reduce as required by Congress, because the facts show they have made no effort to reduce, and the estimate shows that they do not want to reduce. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on agreeing to the amendment to the amendment offered by the gentleman from Mississippi [Mr. QUIN].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. HULL].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. ANTHONY. Division, Mr. Chairman.

The committee divided; and there were—ayes 82, noes 75.

Mr. ANTHONY. Mr. Chairman, I ask for tellers.

Tellers were ordered; and Mr. ANTHONY and Mr. HULL took their places as tellers.

The committee again divided; and there were—ayes 108, noes 91.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. HULL. Mr. Chairman, I have another amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 16, after line 13, insert a new paragraph, as follows:
"No portion of the appropriations contained in this act shall be used to pay, in accordance with the provisions of section 27 of the Army reorganization act, approved June 4, 1920, an enlistment allowance to any soldier who enlists or reenlists after the approval of this act."

Mr. WALSH. Mr. Chairman, I reserve a point of order on that. Does it change the provisions of section 27?

Mr. HULL. It simply prohibits the payment of a bonus for reenlistment. The Army is at present paying $90 for a man to reenlist. Now, we are trying to find a way to reduce the Army and at the same time, unfortunately, we are paying $90 for reenlistment for men we do not want, and that to-morrow we may have to discharge. This is an amendment to strike out the payment of the bonus. I think it is clearly——

Mr. GRAHAM of Illinois. Mr. Chairman, I ask unanimous consent that the amendment may be read again. There was so much confusion we could not hear it.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment. All debate on this paragraph and all amendments thereto has closed.

Mr. WINGO. But this is a new paragraph.

The CHAIRMAN. It has been held by numerous decisions in the House that a new paragraph offered to a pending paragraph after debate is closed can not be debated. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For pay of enlisted men of National Guard, $100.
For pay of enlisted men of the Enlisted Reserve Corps, $100.

Mr. WINGO. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Arkansas moves to strike out the last word.

Mr. WINGO. Mr. Chairman, I would like to have the attention of the gentleman from Iowa [Mr. HULL].

Mr. Chairman, will the gentleman from Iowa advise me whether or not if a man is discharged under his amendment, say to-day, and he reenlists after the 1st day of July, under the gentleman's amendment that has just been adopted with reference to a bonus, will he be entitled to reenlistment bonus?

Mr. HULL. Certainly not.

Mr. WINGO. He would be without your amendment?

Mr. HULL. I think he would, unquestionably. I doubt, however, whether a man accepting his discharge could reenlist. I do not think he could reenlist.

Mr. WINGO. That is my understanding. My understanding has been that these reenlistment bonuses applied only to men who followed up their discharge by immediate reenlistment, but I was not sure. Does that apply to a man who comes back to the Army after being out for a time, or only at the expiration of his enlistment?

Mr. ANTHONY. This does away with the bonus, and in normal times it would save about $1,800,000.

Mr. WINGO. But the gentleman did not catch the point. Say a man's service expires to-day. If he reenlists to-day he would get the bonus. If he is out six months and comes back and reenlists could he get the bonus?

Mr. ANTHONY. No. He could get a furlough of 30 days and then reenlist at the end of that time.

Mr. WINGO. That is what I wanted to know.

Mr. RAKER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from California moves to strike out the last two words.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to proceed slightly out of order.

The CHAIRMAN. The gentleman from California asks unanimous consent to proceed out of order. Is there objection?

Mr. WALSH. What does the gentleman propose to speak about?

Mr. RAKER. It is in regard to the Army, but it really is not germane to this particular amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, I have received the following letter:

PLACERVILLE, CALIF., *March 9, 1921.*

Hon. JOHN E. RAKER,
Member of Congress, Second Congressional District California, Washington, D. C.

DEAR SIR: El Dorado Post, No. 119, of this county, is preparing a big celebration for the coming Fourth of July. Part of our program includes a Sunday memorial service, and we wish to dedicate upon that day a war trophy to our departed members.

We would prefer a German machine gun if it is possible to get one. Any trophy that you may get for us will be certainly appreciated.

Thanking you for any favors, I remain,
Yours, respectfully,
L. J. ANDERSON,
Chairman Committee.

This is from the war veterans. I took the matter up with the Secretary of War, and received the following letter, and I want to call this to the attention of the House, because I find on file hundreds of bills relating to this matter, and no action has been taken, although the armistice occurred on the 11th of November, 1918. The Secretary's letter is as follows:

WAR DEPARTMENT,
Washington, March 17, 1921.

Hon. JOHN E. RAKER,
House of Representatives, United States,
Washington, D. C.

MY DEAR MR. RAKER: I desire to acknowledge receipt of your letter of March 15, with reference to securing a trophy of the World War for the El Dorado Post, No. 119, of Placerville, Calif.

In reply, you are advised that the bill as presented in conference vests within Congress power for the distribution of all captured enemy material, and it is understood that the distribution will be made by either the governor of the State or by members of the State delegation made up of Senators and Representatives. The War Department, therefore, will be without authority to specify the cities or individuals to whom shipments are made.

Now the point:

As the major portion of this material is stored in the open and is rapidly deteriorating, any action that you may take toward expediting the passage of this bill will be appreciated by the War Department and will be the means of placing these articles in the hands of the States and municipalities while some intrinsic value still remains.

Cordially, yours,

JOHN W. WEEKS, *Secretary of War.*

Mr. CAMPBELL of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Not for just a minute.

Two years and practically six months have passed since we have had these materials in our possession, and I want to call the attention of the committee to the fact that these trophies which the World War veterans desire and which their friends desire are stored in the open and are rapidly deteriorating. There are dozens of bills—no, not dozens, but hundreds of them—on file providing that these trophies be distributed to these posts and others who want them. The Secretary of War is requesting that they be distributed while some intrinsic value still remains to them. I am in hopes that this legislation may be accomplished before all of the value of these trophies is destroyed.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. WINGO. It has been two years and six months since the armistice?

Mr. RAKER. Two years and not quite six months, but pretty near.

Mr. WINGO. What about the Fordney bonus bill for the relief of the soldiers? They have been playing football with that bill for a long time. Does not the gentleman think they should bring that out?

Mr. RAKER. I want to discuss this one matter at this time.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. FISH. I understand the gentleman yields for a question?

Mr. RAKER. Yes. Let the gentleman state it.

Mr. FISH. I think I can give the gentleman information.

Mr. RAKER. No; you can not give the gentleman information. These guns are stored in the open. They are rusting and deteriorating and being destroyed.

Mr. FISH. Is it not a fact that the Committee on Military Affairs of the Senate has reported out a bill?

Mr. RAKER. My dear sir, what has been done? Two years and six months have passed. These cannon and this material are still out in the open and are being destroyed, and the country is getting no credit.

Mr. FISH. Mr. Chairman, will the gentleman yield for a question?

Mr. RAKER. I regret I can not. What we want is that these trophies shall be placed in the hands of the people who want them. We want these soldier boys to have them in their home towns and home cities and home villages.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MONDELL. Mr. Chairman, from this time on I shall make a point of order on any extension of time in the consideration of this bill. We have discussed every possible question during this debate.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For aviation increase, to enlisted men of the Air Service, $150,000: *Provided*, That this appropriation shall not be available for increased pay on flying status to more than 500 enlisted men.

Mr. RAKER. Mr. Chairman, I ask the privilege to insert as a part of my remarks one other letter, of half a page, on the same subject from the post at Susanville, Calif., which is desiring the same thing.

Mr. FISH. I object.

The CHAIRMAN. Objection is made.

Mr. WALSH. Mr. Chairman, I move to strike out the last two words. I think that some information might not come amiss after the exhibition which we have witnessed in the last few moments. The gentleman who apparently is in need of information is now sitting where he can get information at any time, and I refer to the gentleman from California [Mr. RAKER], who has come over to the side of the House where information is always available. I desire to say in reference to this pitiful complaint that no action has been taken by Congress with reference to war trophies, that he can sleep the sleep of the just and cease to worry his impetuous soul if he will turn to the RECORD of May 2, in the proceedings of the coordinate branch, for there he will find that Senate bill 674, providing for the distribution of war trophies, passed that body, and is now presumably in the custody of the Military Affairs Committee of the House. Since that time there has been no opportunity to have the measure considered, because we have had other privileged measures up for consideration in the House, but the Suzanna Post——

Mr. RAKER. Oh, no; Placerville.

Mr. WALSH. Which is waiting for these trophies will, when action is had on this measure, undoubtedly have been taken care of.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. RAKER. I find that on April 14, 1921, a bill was introduced in the House covering this matter. Then I find that the Senate bill——

Mr. WALSH. I yielded for a question.

Mr. RAKER. This is the question.

Mr. WALSH. Yes; I recognize it.

Mr. RAKER. A bill in the Sixty-sixth Congress passed, but when the Congress died the bill died. Is the bill to which the gentleman refers going to have the same course?

Mr. WALSH. The bill has passed the Senate and is now before the Committee on Military Affairs. The gentleman knows there has been no opportunity to take up that bill, even though it had been reported; but the gentleman knows that his distinguished colleague, the chairman of the Committee on Military Affairs [Mr. KAHN], announced here on the floor of the House the other day that there would be action upon such a measure, and that provision will be made for disposition of these trophies. This bill, unfortunately for the gentleman from California [Mr. RAKER], provides that the distribution shall be made by the governor of the State. Of course, that may somewhat affect the popularity of the gentleman with the Suzanna Post, or whatever its name is, but possibly he may be able to get it amended so that he will have something to say as to where these deteriorating trophies that are now outside in the open air can be transferred and located somewhere else outside in the open air to continue their deterioration.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

Mr. HARRISON. Mr. Chairman, I move to strike out the last word. I wish to say in regard to the tables put into the RECORD the other day——

Mr. MADDEN. Mr. Chairman, I make the point of order that the discussion is not on the bill. I believe the time has come now when the discussion should be confined to the bill. I shall object to any further discussion out of order on this bill, for it ought to pass. The time has come when we ought to have an orderly consideration of the bill.

The CHAIRMAN. The gentleman from Virginia will proceed in order.

Mr. HARRISON. What I wish to say is bearing on the subject of aviation, and it is a matter that is passed on in this bill. It is a question that will come before the House.

Mr. JOHNSON of Washingon. Mr. Chairman, I make the point of order that the gentleman is not discussing his amendment.

The CHAIRMAN. The gentleman has not proceeded far enough to have the Chair determine.

Mr. HARRISON. The subject of aviation is now under consideration. I do not desire to violate any of the rules of the House. I just want to simply explain to the gentleman exactly the subject matter about which he has made some criticism. The papers which I put into the RECORD were official reports made by the division of aviation.

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not speaking to his amendment.

Mr. HARRISON. By the liquidation committee.

The CHAIRMAN. The gentleman will suspend. The gentleman from Washington makes the point of order that the gentleman is not debating his amendment. The paragraph under consideration is one beginning at line 17, on page 16, for aviation increase. It provides for enlistment in the Air Service,

$150,000. Under the customary practice of the House any debate that applies to that particular paragraph is usually in order under the pro forma amendment.

Mr. HARRISON. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Virginia moves to strike out the paragraph. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HARRISON: Page 16, line 17, strike out the paragraph.

Mr. HARRISON. Mr. Chairman, in regard to these tables, I simply desired the committee to have the benefit of the information which the official investigation showed. I am not in any sense——

Mr. FREAR. Will the gentleman yield? The gentleman has taken an article from the Aviation Journal which was not the official report.

Mr. HARRISON. The Aviation Journal published an official report of the table, or at least professed to do so, of the liquidation division of the aircraft section of the War Department, and my only object was to enable the Members of this House to see what the facts were.

Mr. HICKS. Mr. Chairman, I make the point of order that the gentleman is not discussing his amendment.

The CHAIRMAN. The Chair sustains the point of order. The gentleman is discussing a matter that has been discussed some time during the afternoon, but it is not a discussion of the paragraph now before the House.

Mr. HARRISON. I just desire to conclude by saying, if the gentleman can succeed in finding any information about this aircraft, nobody will welcome it more than I would.

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not discussing his amendment.

Mr. HARRISON. I ask unanimous consent to withdraw my amendment.

Mr. WINGO. Mr. Chairman, I make the point of order that you can discuss any past expenditure of a department when an item for appropriation for that department is under consideration.

The CHAIRMAN. The Chair will hold that any debate upon a subject involved in the particular paragraph—that is, the pay of aviation, increase to the enlisted men of the Air Service——

Mr. WINGO. It has been held that when you are discussing an appropriation for any branch of a department the discussion of past expenditures of that department is in order, but I do not care anything about it——

The CHAIRMAN. If there is any objection, it seems to the Chair the gentleman would have to confine his remarks to the particular matter contained in this paragraph.

Mr. CARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARTER. The gentleman from Virginia is discussing the subject of extravagance in the Aviation Service in the past. Now, we have before us an appropriation for aviation. If that is not in order, then what would be in order in the discussion of an item appropriating money for aviation?

Mr. JOHNSON of Washington. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. JOHNSON of Washington. To discuss the point of order. The gentleman from Virginia has been insisting on discussing the matter he inserted in the RECORD several days ago. It has nothing to do with his amendment——

The CHAIRMAN. So the Chair held. The gentleman from Virginia asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

For additional pay for length of service of enlisted men, $3,500,000.

PAY OF PERSONS WITH RETIRED STATUS.

Mr. LINEBERGER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LINEBERGER: Page 17, line 3, after the words "Pay of persons with retired status," insert: "That all persons who have served as officers of the United States Army during the World War and who have incurred physical disability in line of duty shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Army who have incurred physical disability in line of duty."

Mr. ANTHONY. Mr. Chairman, I reserve a point of order.

Mr. MONDELL. I make the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Mr. LINEBERGER. Will the gentleman withhold his point of order?

Mr. MONDELL. Mr. Chairman, it is clearly——

The CHAIRMAN. The Chair has sustained the point of order, and the Clerk will read.

The Clerk read as follows:

Chief clerk, $2,500; clerks—1 $2,250, 6 at $2,000 each, 8 at $1,800 each, 13 at $1,600 each, 21 at $1,400 each, 24 at $1,200 each, 26 at $1,000 each; chief messenger, $1,000; messengers—3 at $840 each, 10 at $720 each; laborer, $720; in all, $147,590.

Mr. GRIFFIN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. GRIFFIN. Mr. Chairman, I move to strike out the paragraph. Mr. Chairman and gentlemen of the committee, I move to strike out this paragraph for the purpose of emphasizing the point I raised the other day with reference to the employment of civilians in various bureaus of the Army. We all know that it grew to be a great evil in the bureau for the sale of surplus war material, but it is particularly reprehensible in the office of the General Staff of the Army, for there is no branch of the Army where greater safeguards for secrecy ought to prevail. It is a confidential office in the very highest degree, and if the Army can not procure among its trained officers and enlisted men officials who are capable of performing the duties of clerks, then our Army has been reduced to a very sorry condition. This section, as you will notice, provides for 100 clerks, 14 messengers, and 1 laborer. Now, I do not intend to insist upon the amendment at this time, because there was no opportunity to consider it in the committee, but I do hope that the suggestion will be taken to heart by the committee and that something will be done to discontinue the expensive and dangerous custom of employing civilians for military work in the Army.

This morning I received in my mail, as doubtless every other Member of the House did also, a circular, sent out by the Director of Sales, announcing that there is on hand for disposal 953,000 pounds of brass and bronze rod. This has probably just been declared as "surplus war material," and the Director of Sales proposes to sell it in large lots, distributed at points throughout the United States. Can this bronze and brass deteriorate? What overwhelming necessity is there requiring our Government to sell this metal at a sacrifice, as they will doubtless do, under the restraints with which they bind the bids? What is the sense of the United States Government selling this metal now, and then perhaps buying it again in two or three months in ingot form from the very contractors perhaps who purchased it?

We are laboring under a disadvantage in this House to some extent, as was made manifest on several occasions here to-day.

The practice in the English Parliament of interpellation I think might be very well imitated here. A member there may call attention to some infraction of duty on the part of a member of the cabinet or of the ministry as a matter of right, whereas here we are tied up and bound by parliamentary rules that prevent our calling to the attention of the House and of the country certain things which really clamor for rectification——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRIFFIN. Or at least explanation.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

For commutation of quarters and of heat and light for field clerks, Quartermaster Corps, $75,000: *Provided*, That said clerks, messengers, and laborers shall be employed and assigned by the Secretary of War to the offices and positions in which they are to serve: *Provided further*, That no clerk, messenger, or laborer at headquarters of tactical divisions, military departments, brigades, service schools, and office of the Chief of Staff shall be assigned to duty in any bureau of the War Department.

Mr. McKENZIE. Mr. Chairman, I move to strike out the last word. I do this simply for the purpose of calling attention to an abuse that has grown up in the War Department, and which I think ought to be abolished in the interest of economy. Some years ago a law was passed providing for commutation of quarters for officers in the Army when stationed away from an Army post. During the war we extended that for the benefit of married men and those who had dependents to the field, so that all officers were entitled to commutation. Some years ago the field clerks insisted that they, too, should have this commutation when in the field, and it was given to them. It has come to my notice that that law has been applied in the city of Washington, where they have seen fit to employ many women as field clerks, giving them the salary, the bonus in addition, and $33 a month commutation for quarters here. I understand that most of these ladies have been discharged. However, there are a few still employed.

I simply make this short statement for the purpose of calling the matter to the attention of the Secretary of War and those under him, in the hope that they will see that it is cut out.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

All the money hereinbefore appropriated for pay of the Army and miscellaneous, except the appropriation for mileage to commissioned officers, warrant officers, members of the Officers' Reserve Corps when ordered to active duty, contract surgeons, expert accountant, Inspector General's Department, Army field clerks, and field clerks of the Quartermaster Corps, when authorized by law, shall be disbursed and accounted for as pay of the Army, and for that purpose shall constitute one fund: *Provided*, That so much of the unexpended amount of the appropriation for pay, etc., of the Army for the fiscal year 1919 as may be necessary to permit payment for the adjustment and settlement of claims of officers, members of the Nurse Corps, and enlisted men for pay and allowances growing out of service in the World War from April 6, 1917, to June 30, 1919, inclusive, shall remain upon the books of the Treasury to the credit of that appropriation until June 30, 1922: *Provided further*, That the Army shall be reduced by the Secretary of War so that the sum herein appropriated shall defray the entire cost of the pay of the officers and enlisted men of the line and staff during the fiscal year ending June 30, 1922.

Mr. HULL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HULL: Page 22, line 1, after the word "That," strike out "the Army shall be reduced by the Secretary of War so that"; in line 3, after the word "appropriated," insert "for officers' pay"; in line 3, after the word "officers," strike out "and enlisted men."

Mr. ANTHONY. Mr. Chairman, I make a point of order against that.

Mr. HULL. Does the gentleman reserve the point of order?

Mr. ANTHONY. No; I make it.

Mr. HULL. It certainly is not subject to a point of order. It simply changes the language so that you would limit the pay to enlisted men. You limit it to both officers and enlisted men now. My amendment simply permits the enlisted man to receive his pay. I limit the officers, because we know what the officers are. It is not subject to a point of order.

Mr. ANTHONY. The gentleman is really trying to destroy an amendment which the House has just adopted.

Mr. HULL. I am not. I will explain that. It certainly is not subject to a point of order. I will submit it to the Chair. He understands the rules of the House so far as a point of order goes.

The CHAIRMAN. Will the gentleman from Kansas state what his point of order is?

Mr. ANTHONY. Will the Chair have the amendment again read?

The CHAIRMAN. The Clerk will again report the amendment.

The amendment was again read.

Mr. ANTHONY. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. HULL. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 13, noes 44.

So the amendment was rejected.

Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. GRAHAM of Illinois. Mr. Chairman, in connection with this, I believe there is an error in the phraseology of this bill. I ask unanimous consent to return to lines 8 to 14 on page 20. I do not want to discuss it.

Mr. ANTHONY. I object to returning to that paragraph, but I have no objection to the gentleman stating what he thinks is an error.

Mr. GRAHAM of Illinois. I will do that. I suppose the gentleman wants his bill to be right. If anybody can explain to me just what that paragraph from line 8 to line 14 on page 20 means, I shall be glad. It provides:

For payment of exchange by officers serving in foreign countries and when specially authorized by the Secretary of War, by officers disbursing funds pertaining to the War Department when serving in Alaska, and all foreign money received shall be charged to and paid out by disbursing officers of the Army at the legal valuation fixed by the Secretary of the Treasury, $5,000.

Mr. WINGO. I will say to my friend, if he will permit, that that is not the only error.

Mr. GRAHAM of Illinois. It does not mean anything as it is. It is rambling and disconnected. It ought to read, "For payment of exchange by officers serving in foreign countries and when specially authorized by the Secretary of War, by officers disbursing funds pertaining to the War Department when serving in Alaska, $5,000, and all foreign money received shall be charged to and paid out by disbursing officers of the Army at the legal valuation fixed by the Secretary of the Treasury."

Mr. ANTHONY. I will say to the gentleman that the amounts carried for the different items are uniformly carried at the end of the paragraphs.

Mr. GRAHAM of Illinois. I do not care; but you have proceeded with a different subject matter.

Mr. ANTHONY. It may be a little strained to have it read that way, but that has been the method.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. WINGO. Why is it that at all foreign points, instead of our having to lose on foreign exchange we do not gain, when our dollars are worth a great deal more?

Mr. ANTHONY. That is the case generally at the present time, but it has not been so heretofore.

Mr. WINGO. Has the gentleman had any experts before him on that subject?

Mr. ANTHONY. Yes; we have.

Mr. WINGO. Can the gentleman say that there is any hope that any country on earth will come up in its currency to par with our dollar?

Mr. ANTHONY. There have been numerous instances in the last year where our disbursing officers have been compelled to pay rates of exchange to their disadvantage, and we have to allow for that.

Mr. WINGO. I suggest that they ought to be in St. Elizabeths if that be true.

Mr. ANTHONY. No. In China the rates of exchange have been very much to the disadvantage of this Government, and we have had to resort to shipping silver bars over there in order to pay our troops, and we had to pay our money for doing it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SUBSISTENCE OF THE ARMY.

Purchase of subsistence supplies: For issue as rations to troops, including warrant officers of the Mine Planter Service, enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, civil employees when entitled thereto, hospital matrons, nurses, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners, but for whose subsistence appropriation is not otherwise made), Indians employed with the Army as guides and scouts, and general prisoners at posts; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army Transport Service; hot coffee for troops traveling when supplied with cooked or travel rations; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers including members of the Officers' Reserve Corps while on active duty, and enlisted men of the Army: *Provided*, That the sum of $12,000 is authorized to be expended for supplying meals or furnishing commutation of rations to enlisted men of the Regular Army and the National Guard who may be competitors in the national rifle match: *Provided further*, That no competitor shall be entitled to commutation of rations in excess of $1.50 per day, and when meals are furnished no greater expense than that sum per man per day for the period the contest is in progress shall be incurred. For payments: Of commutation of rations to the cadets of the United States Military Academy in lieu of the regular established ration, at the rate of $1.08 per ration; of the regulation allowances of commutation in lieu of rations to enlisted men on furlough, enlisted men and male and female nurses when stationed at places where rations in kind can not be economically issued, including warrant officers of the Mine Planter Service, enlisted men of the Enlisted Reserve Corps and retired enlisted men when ordered to active duty, and when traveling on detached duty where it is impracticable to carry rations of any kind, enlisted men selected to contest for places or prizes in department and Army rifle competitions while traveling to and from places of contest, male and female nurses on leave of absence, applicants for enlistment, and general prisoners while traveling under orders. For payment of the regulation allowances of commutation in lieu of rations for members of the Army Nurse Corps while on duty in hospital, and for enlisted men, applicants for enlistment while held under observation, civilian employees who are entitled to subsistence at public expense, and general prisoners sick therein, to be paid to the surgeon in charge; advertising; for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed $900 per annum; and for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army; in all, $29,350,000.

Mr. BYRNES of South Carolina. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BYRNES of South Carolina: Page 24, line 9, after the word "all," strike out the figures "$29,350,000" and insert in lieu thereof the following: "$27,500,000."

Mr. BYRNES of South Carolina. Mr. Chairman, may I ask a question of the gentleman from Kansas?

Mr. ANTHONY. Yes.

Mr. BYRNES of South Carolina. Is the gentleman in favor of this amendment, in view of the action of the committee?

Mr. ANTHONY. I do not think it would be safe to cut the figures below what the committee has fixed in the bill. We

arbitrarily fixed the future cost of the ration at 37 cents, although the present-day cost is about 41 cents. The committee took a gamble on the price of the ration going down; and even with a reduction of the Army to the point indicated by the gentleman's amendment, I believe there will be barely enough money in the bill as it is, $29,500,000, to pay the subsistence of the Army.

Mr. BYRNES of South Carolina. Is it not a fact that when the bill was reported before, for an Army of 150,000, you appropriated only $27,500,000 under this item? I will say to the gentleman that the figures I have offered in this amendment are the exact figures that the gentleman had in his bill in the last Congress when he provided for 150,000 men. I am only relying on the accuracy of the gentleman's own figures in placing that figure in his bill.

Mr. ANTHONY. I still think it would be unsafe to reduce it below this figure. As I say, the committee took a large chance.

Mr. BYRNES of South Carolina. Then, I desire to be heard on this. I am satisfied that the amendment ought to be adopted. This committee, after considering the question for a month, fixed the ration, and then on the basis of an Army of 150,000 men carried in the bill this amount of $27,500,000. Now, certainly nothing has happened since that time to cause us to increase the amount for subsistence. If anything, the tendency in the price of foodstuffs is downward. Then, why should we fail to provide the same amount that the committee only 60 days ago said was sufficient for an Army of 150,000 men? When we get back into the House, if it shall be decided that the Army shall not be reduced to 150,000 men, then this figure for subsistence ought to be changed, but where is the sense in providing for an Army of 150,000 men and failing to make the corresponding reduction for subsistence? Let me show you what this committee did. After this bill originally passed the House providing $27,500,000 for subsistence for 150,000 men, in conference we agreed to 156,000 men, and on that basis this amount for subsistence was correspondingly increased, and very properly so. In this session we have come in with a bill providing for an Army of 168,000 men, and the amount for subsistence is again increased to $29,000,000. That was proper. But the Committee of the Whole has voted to reduce the Army to 150,000 men. Why should we hesitate to reduce correspondingly the amount for subsistence? The gentleman from Kansas says they propose to spend the same amount for the ration, and that being so we can make this reduction, and it ought to be made. If you do not make the reduction you are simply increasing the ration, providing the gentleman's committee was right in the first instance. If the committee was right in putting $29,350,000 for 168,000 men, certainly that is more than is necessary for 150,000 men. If it is only enough for 150,000, then it would have been too little for 168,000 men.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNES of South Carolina. I yield to the gentleman from Texas.

Mr. BLANTON. I will tell the gentleman what is in contemplation. If I understand correctly, there is an effort now on the part of the "big Army" men to whip certain people into line and try to get this provision changed, and if that should happen, of course certain gentlemen would expect a larger appropriation for rations for the Army.

Mr. BYRNES of South Carolina. I do not know whether that is true or not, but I submit to the committee that if when we get back in the House, the House in its wisdom shall say that the Army should be 168,000 men, manifestly the amount carried for subsistence should be made to correspond. If the House, however, decides that the Army should be 150,000 men, we have no excuse whatever for refusing to make the change in the amount for subsistence correspond to the reduction in the number of enlisted men, and we ought to put it just where the committee had it in the last bill, which provided $27,500,000 for subsistence for 150,000 men. I think the chairman of this committee ought to agree to this.

Mr. MONDELL. Mr. Chairman, no matter how much or how little we appropriate in this item, the men will have to be fed at the market cost of the ration, whatever it may be. The law provides the character of the ration. Each man is entitled to a certain ration, so that the amount expended will be the market cost of the ration as provided for the number of men in the Army. If the Army should be 120,000 men, the expenditure would be for rations for 120,000 men. If the Army should be 150,000 men, the expenditure would be for rations as provided by law for 150,000 men, no more and no less. Certainly, we do not want to go on record as disposed to starve the Army of the United States or as trying to reduce unduly the appropriation for the subsistence of the Army. The ration is now costing 43 cents. It may possibly be reduced in price, but that is questionable. In making up this estimate the ration is estimated at 5 cents below the present cost per ration. In my opinion the sum carried is very low.

Mr. BYRNES of South Carolina. Will the gentleman yield for a question?

Mr. MONDELL. Yes.

Mr. BYRNES of South Carolina. If the limit of 168,000 men had remained in the bill, manifestly it would have resulted in starving the boys to have carried this amount.

Mr. MONDELL. I was inclined to think, and I said to members of the committee that I thought this item was low. I have the same view now.

Mr. BYRNES of South Carolina. The gentleman did not offer an amendment to increase it.

Mr. MONDELL. I am trying to keep these appropriations down, and I am trying to keep them down in good faith, and not for political purposes. [Applause.]

Mr. BYRNES of South Carolina. If the gentleman has any reference to my action, I will say that time after time he has asked me to help him keep appropriations down. I am doing it, and yet oftentimes he does not stand by me in the effort I am trying to make.

Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee a question. You have estimated the rations at 41 cents?

Mr. ANTHONY. Thirty-seven cents, and the cost to-day is 41 or 42 cents. We figured that the cost would go down.

Mr. GRAHAM of Illinois. Mr. Chairman, that presents a very unusual situation. In the Navy the commutation of rations to-day is figured at 68 cents. That is the sworn testimony before the committee of which I am a member. It is to the effect that the Navy ration is commuted at 68 cents. The Lighthouse Service, the Coast Guard, and other subordinate arms of the Navy Department are asking and all getting, except the Lighthouse Service, 68 cents a day for rations. I would like to ask further, is the Navy ration the same as the Army ration?

Mr. ANTHONY. That is a matter that was discussed before the full Committee on Appropriations, and it was brought out by the gentleman from Michigan [Mr. KELLEY] that the Navy ration called for much larger portions of food than did the Army ration, and therefore it cost more. My information is that we feed the men of the Navy more liberally than we do the Army.

Mr. GRAHAM of Illinois. I am convinced from the testimony that 41 or 45 cents is not enough to feed the men in the Army, and that the appropriation which covers only that amount will lead to deficiencies.

Mr. ANTHONY. We thought that would be sufficient, and for that reason I am opposed to the amendment of the gentleman from South Carolina. We did not want to take any chance.

Mr. GARRETT of Tennessee. Will the gentleman yield.

Mr. GRAHAM of Illinois. Yes.

Mr. GARRETT of Tennessee. While discussing the question of rations, has the gentleman heard of the fact that there was a sale of 81,000,000 pounds of beef purchased during the war at a cost of 24 cents a pound and sold at the price of 6½ cents a pound?

Mr. GRAHAM of Illinois. No; I have not had it called to my attention.

Mr. GARRETT of Tennessee. I will say that that occurred. The gentleman will recall that there was quite a little criticism of the last administration about the sale of the surplus food in the War Department. This was sold to one firm in Philadelphia and it was one of the first acts of the new administration.

Mr. ANTHONY. Mr. Chairman, I move to strike out the last word. I think the House ought to have some information in regard to the sale which the gentleman from Tennessee has just referred to. One of the first acts of this administration was to dispose of about 81,000,000 pounds of meat, as the gentleman says, which was found by the last administration to have been kept for two years until a lot of it had spoiled on its hands. We were compelled to sacrifice it at this price, when if it had been sold as it should have been, right after the armistice, by the former administration we would have realized 20 cents a pound.

Mr. GARRETT of Tennessee. Mr. Chairman, that illustrates the bunk that there was in the criticism of the last administration.

Mr. ANTHONY. The gentleman is criticizing this administration.

Mr. GARRETT of Tennessee. No; I do not propose to criticize this administration. I do not know anything about it. The fact that this was foodstuff that was found unmarketable for the general retail trade; that is my information about it. I think, perchance, it is quite likely that the firm that bought it,

even at that very low price, may make very little money by the transaction. I say that in fairness, but I did desire to bring out the amount of bunk that was indulged in during the last administration.

Mr. ANTHONY. The gentleman must admit the fact that the War Department kept the meat for two years without disposing of it and that that is sufficient criticism.

Mr. GARRETT of Tennessee. The War Department could not dispose of it except at such a price as would bring it under the criticism that was constantly being made by the Members of the House.

Mr. GRAHAM of Illinois. The reason they did not dispose of it was that they had a hard and fast agreement with the people of whom they purchased, and they would not do it. It was not until we got into power that somebody saw the light, and they ordered that sale.

Mr. GARRETT of Tennessee. Accepting that as a basis, let me say that the War Department sold it at 6¼ cents when the price of meat in the hands of the packers to-day is 24 cents. I am willing to give credit of good faith to the administration.

Mr. ANTHONY. The former administration kept it until it spoiled.

Mr. CARTER. Does the gentleman say that the administration sold spoiled meat to the American public?

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 5010, the Army appropriation bill, and had come to no resolution thereon.

ADJOURNMENT OVER.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next. I do this for two reasons: First, the business of the House is not so pressing but that we may properly give the committees an opportunity to consider the measures before them, and Members an opportunity to catch up with their official business. The second reason is that to-morrow is an important anniversary—the eighty-fifth birthday of Uncle JOE CANNON. [Loud and long applause.]

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-night it adjourn until Monday next. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the House, under its previous order, adjourned until Monday, May 9, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

106. A letter from the Assistant Secretary of the Navy, transmitting a tentative draft of a bill to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels, and for other purposes; to the Committee on Claims.

107. A letter from the Secretary of the Treasury, transmitting a supplemental estimate of appropriations, in the sum of $1,744,910, required by the Treasury Department to provide additional facilities at quarantine stations (H. Doc. No. 70); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. MAPES, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 82) to extend the time for the construction of a bridge across the Red River of the North, at or near the city of Pembina, N. Dak., reported the same without amendment, accompanied by a report (No. 48), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DOWELL, from the Committee on the Territories, to which was referred the bill (H. R. 4598) to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii, reported the same without amendment, accompanied by a report (No. 49), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ALMON, from the Committee on the Territories, to which was referred the bill (H. R. 2499) to provide for the acquisition by the United States of private rights of fishery in and about Pearl Harbor, Hawaii, reported the same with an amendment, accompanied by a report (No. 51), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 962) for the relief of the heirs of Robert Laird McCormick, deceased, reported the same without amendment, accompanied by a report (No. 50), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 4665) granting a pension to Lewis E. Phillips, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HUDSPETH: A bill (H. R. 5883) to amend the act entitled "An act to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes," approved March 4, 1917; to the Committee on Pensions.

By Mr. JOHNSON of South Dakota: A bill (H. R. 5884) providing for a review of court-martial cases; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 5885) making appropriation for the improvement of Quincy (Ill.) Bay; to the Committee on Appropriations.

By Mr. MILLS: A bill (H. R. 5886) to amend the act entitled "An act to establish a Bureau of Immigration and Naturalization, and to provide for a uniform rule for the naturalization of aliens throughout the United States," approved June 29, 1906, as amended, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5887) to exempt admissions the proceeds of which inure to the benefit of persons who served in the military or naval forces of the United States between April 6, 1917, and November 11, 1918, and are in need, from tax on admissions; to the Committee on Ways and Means.

By Mr. WALSH: A bill (H. R. 5888) to authorize the Secretary of the Treasury to create in the United States Coast Guard the rank or grade of chief gunner, electrical, and to transfer thereto the present incumbent supervisors and assistant supervisors of telephone lines in the Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE of Maine (by request): A bill (H. R. 5889) to regulate radio communication and to foster its development; to the Committee on the Merchant Marine and Fisheries.

By Mr. WOODRUFF: A bill (H. R. 5890) regulating and restricting the sale of tickets to public amusement performances, and for other purposes; to the Committee on the District of Columbia.

By Mr. GILLETT (by request): A bill (H. R. 5891) to confer jurisdiction upon the United States Court of Claims, to determine the rights and equities contested for by certain persons designated in the bill in equity filed in the Supreme Court of the District of Columbia in 1915, styled and numbered as H. N. Johnson, Rebecca Bowers, C. B. Williams, and Mamie Thompson, and all other persons similarly interested in the subject matter, No. 33573 on the docket of that court; and also the same action determined in the Court of Appeals of the District of Columbia, No. 2918 on the docket of the said court of appeals; to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 5892) to correct the status of certain enlisted men of the Navy and Naval Reserve Force, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 5893) to establish rates of pay for enlisted men of the insular force of the Navy; to the Committee on Naval Affairs.

By Mr. HILL: A bill (H. R. 5894) to safeguard newspapers from suits for damages arising from publication of errors in authorized slacker lists; to the Committee on the Judiciary.

By Mr. BUTLER: A bill (H. R. 5895) to increase the efficiency and provide for the proper organization and administration of the Naval Reserve Force; to the Committee on Naval Affairs.

Also, a bill (H. R. 5896) to establish the commissioned warrant and warrant grades of chief electrician, electrician, chief radioelectrician, and radioelectrician in the United States Navy; to the Committee on Naval Affairs.

Also, a bill (H. R. 5897) to repeal certain provisions of the deficiency act approved June 5, 1920; to the Committee on Naval Affairs.

By Mr. SMITH: A bill (H. R. 5898) granting certain lands to the city of Blackfoot, Idaho, for a public park; to the Committee on the Public Lands.

By Mr. WILSON: A bill (H. R. 5899) making appropriation for continuing the improvement of the Ouachita River, Ark. and La.; to the Committee on Appropriations.

By Mr. LEE of New York: A bill (H. R. 5900) to provide for an additional judge of the District Court for the Eastern District of New York; to the Committee on the Judiciary.

By Mr. MOORE of Virginia: A bill (H. R. 5901) to permit the Soldiers' Institute (Inc.) to occupy the Government property at Bluemont, Loudoun County, Va., known as Mount Weather, in connection with its work for the care, education, and rehabilitation of soldiers, sailors, and marines of the late war, and for other purposes; to the Committee on Agriculture.

By Mr. OSBORNE: A bill (H. R. 5902) authorizing the erection of a sanitary, fireproof hospital at the National Home for Disabled Volunteer Soldiers at Santa Monica, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. TINKHAM: Resolution (H. Res. 83) directing an investigation as to the extent to which the right to vote is denied certain citizens of the United States; to the Committee on Rules.

By Mr. VOLK: Joint resolution (H. J. Res. 108) amending the act regarding the loan of Army tents to veterans of the different wars; to the Committee on Military Affairs.

By Mr. KINDRED: Joint resolution (H. J. Res. 109) concerning conditions in Ireland; to the Committee on Foreign Affairs.

By Mr. MORIN (by request): Joint resolution (H. J. Res. 110) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KELLEY of Michigan: Memorial of the Legislature of Michigan, requesting Congress to repeal the Esch-Cummins Act; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of Michigan, memorializing Congress to amend the La Follette Act so as to alleviate burdens now carried by Great Lakes shipping; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the Legislature of Michigan, memorializing Congress to restore to the States control of intrastate railroads; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 5903) authorizing the Secretary of War to donate to the town of Haskins, State of Ohio, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. BLAND of Indiana: A bill (H. R. 5904) granting a pension to Mary A. Wallace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5905) granting a pension to Emeline Weir; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5906) granting a pension to Paul Hubner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5907) granting a pension to Susan F. Tolson; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 5908) granting a pension to Anna Claude Howard; to the Committee on Pensions.

By Mr. BURTON: A bill (H. R. 5909) for the relief of William Dall; to the Committee on the District of Columbia.

By Mr. BYRNS of Tennessee: A bill (H. R. 5910) granting a pension to Hester Lindsay; to the Committee on Invalid Pensions.

By Mr. CHALMERS: A bill (H. R. 5911) to carry out the findings of the United States Court of Claims in the case of Isaac R. Sherwood; to the Committee on War Claims.

By Mr. DUNBAR: A bill (H. R. 5912) granting an increase of pension to Alice D. Knight; to the Committee on Invalid Pensions.

By Mr. FIELDS: A bill (H. R. 5913) granting an increase of pension to Fannie M. Wilson; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 5914) granting an increase of pension to Jonathan Wise; to the Committee on Invalid Pensions.

By Mr. HAMMER: A bill (H. R. 5915) granting a pension to Mary E. Jennings; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 5916) to correct the military record of James McMullen; to the Committee on Military Affairs.

Also, a bill (H. R. 5917) granting a pension to Frederick J. Young; to the Committee on Invalid Pensions.

By Mr. MADDEN: A bill (H. R. 5918) for the relief of the Michigan Boulevard Building Co.; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 5919) granting a pension to Menora Sweetland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5920) granting an increase of pension to Mary Barnett; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 5921) granting a pension to Robert Petritz; to the Committee on Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 5922) granting a pension to George C. Emmert; to the Committee on Pensions.

By Mr. NOLAN: A bill (H. R. 5923) for the relief of the Rolph Navigation & Coal Co.; to the Committee on Claims.

By Mr. PATTERSON of Missouri: A bill (H. R. 5924) for the relief of Thomas F. Jessup; to the Committee on Military Affairs.

Also, a bill (H. R. 5925) to remove the charge of desertion from the military record of Daniel Powell; to the Committee on Military Affairs.

By Mr. ROACH: A bill (H. R. 5926) granting a pension to John B. Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5927) granting a pension to Hugh Creach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5928) authorizing the Secretary of War to donate to the town of Meta, Mo., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. SANDERS of Indiana: A bill (H. R. 5929) granting an increase of pension to Joseph H. Glover; to the Committee on Pensions.

By Mr. SHAW: A bill (H. R. 5930) granting an increase of pension to Mattie J. Clark; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 5931) granting a pension to Susan E. Becker; to the Committee on Invalid Pensions.

By Mr. UPSHAW: A bill (H. R. 5932) for the relief of the widow of John A. Zachary; to the Committee on Claims.

Also, a bill (H. R. 5933) for the relief of Alexander Mattison; to the Committee on Claims.

By Mr. VESTAL: A bill (H. R. 5934) to remove the charge of desertion against Israel Brown and to grant him an honorable discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 5935) granting an increase of pension to Marietta Nichols; to the Committee on Invalid Pensions.

By Mr. WALSH: A bill (H. R. 5936) for the relief of William Befuhs, alias Charles Cameron; to the Committee on Military Affairs.

By Mr. WHITE of Maine: A bill (H. R. 5937) granting a pension to Sarah H. Adams; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

512. By the SPEAKER: Petition of the Massachusetts Society, Sons of the American Revolution, urging that Congress change the name of the Panama Canal to the Roosevelt Canal; to the Committee on Interstate and Foreign Commerce.

513. Also (by request), petition of citizens of the fifth congressional district of Minnesota, urging the recognition of the Irish republic; to the Committee on Foreign Affairs.

514. By Mr. ARENTZ: Petition of the Reno (Nev.) Chamber of Commerce, favoring the passage of Senate bill 1072; to the Committee on Roads.

515. By Mr. BURTNESS: Petition of the Parent-Teachers' Association of North Dakota, urging the passage of the Smith-Towner bill; to the Committee on Education.

516. By Mr. BYRNS of Tennessee: Papers to accompany H. R. 5910, granting a pension to Hester Lindsay; to the Committee on Invalid Pensions.

517. By Mr. CRAMTON: Resolution of William Regan Post, No. 127, American Legion, Marine City, Mich., indorsing the pro-

gram of legislation asked by the American Legion of the Sixty-seventh Congress in the interest of disabled veterans of America; to the Committee on Interstate and Foreign Commerce.

518. By Mr. DALLINGER: Petitions of citizens of Cambridge, Mass., and citizens of the eighth Massachusetts district, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

519. Also, petition of Bay State Division, No. 413, Order of Railway Conductors, favoring the repeal of the excess-profits tax, etc.; to the Committee on Ways and Means.

520. Also, petition of Sons of Veterans Club of Massachusetts indorsing H. R. 2882; to the Committee on Invalid Pensions.

521. By Mr. FROTHINGHAM: Petition of the Women's Auxiliary Post, No. 79, Weymouth, Mass.; the Dedham Post, No. 18, Dedham, Mass.; the Brockton Post, No. 35, Brockton, Mass., and the Norwood Post, No. 70, Norwood, Mass., all of the American Legion, favoring relief for the disabled soldiers; to the Committee on Interstate and Foreign Commerce.

522. By Mr. FUNK: Petition of the Young Men's Christian Association of Pontiac, Ill., urging the passage of the bill for the relief of disabled soldiers; to the Committee on Interstate and Foreign Commerce.

526. By Mr. KENNEDY: Resolution of Winona Council, No. 1, Junior Order United American Mechanics, of Woonsocket, R. I., favoring passage of House bill 7, the Towner bill; to the Committee on Education.

527. By Mr. KISSEL: Petition of Austin Nichols & Co., food products, New York City, N. Y., urging the passage of House bill 2888; to the Committee on Agriculture.

528. By Mr. LINTHICUM: Petitions of the Greenwald Packing Co., Baltimore, opposing House bills 232 and 14, and the Maryland Glass Corporation, Glass Container Association, Buck Glass Co., and Columbia Specialty Co., all of Baltimore, relating to House bill 4981; to the Committee on Agriculture.

529. Also, petitions of the Grand Lodge of Maryland and Miss Elizabeth Rumpf, both of Baltimore, favoring House bill 7; to the Committee on Education.

530. Also, resolutions of the Woman's Christian Temperance Union of Mayland, Baltimore, opposing any attempt to repeal the Volstead Act; to the Committee on the Judiciary.

531. Also, petition of Oscar A. Ferguson, Baltimore, Md., favoring House bill 172; to the Committee on Military Affairs.

532. Also, petition of Miss Rose V. Quinn, Baltimore, favoring Irish recognition; to the Committee on Foreign Affairs.

533. By Mr. MEAD: Petition of the Patrick Henry Council, American Association for the Recognition of the Irish Republic, Niagara Falls, N. Y., urging freedom for Ireland; to the Committee on Foreign Affairs.

534. By Mr. MERRITT: Petition of organizations of Americans of Ukrainian ancestry, and Ukrainian residents of Stamford, Conn., praying that the Government of the United States recognize East Galicia, along with northern Bukowina, as an independent State, etc.; to the Committee on Foreign Affairs.

535. By Mr. MORGAN: Petition of Johnstown Post, American Legion, No. 254, E. J. Higgins, commander, for relief of disabled veterans; to the Committee on Interstate and Foreign Commerce.

536. By Mr. NEWTON of Missouri: Petition of over 1,000 citizens of St. Louis, Mo., urging amendment to the Volstead Act for the manufacture of beer and light wines; to the Committee on the Judiciary.

537. By Mr. PARKER of New York: Petition of citizens of New York, favoring reduction of taxes on tobacco; to the Committee on Ways and Means.

538. By Mr. RIORDAN: Petition of citizens of the eleventh district of the State of New York, urging that Congress recognize the Irish republic; to the Committee on Foreign Affairs.

539. By Mr. THOMPSON: Petition of the Women's Auxiliary, American Legion Post, No. 208, Convoy, Ohio, urging legislation in behalf of soldiers' relief; to the Committee on Interstate and Foreign Commerce.

540. By Mr. TINKHAM: Petition of the Celtic Association, of Boston, Mass., urging legislation that will assure American ships the right of free passage of toll through the Panama Canal; to the Committee on Interstate and Foreign Commerce.

541. Also, petition of citizens of Boston, Mass., and over 1,000 citizens of Roslindale and Forest Hills, Mass., urging recognition of the Irish republic; to the Committee on Foreign Affairs.

542. By Mr. YATES: Petition of Robert P. Vail, Decatur, Ill., protesting against House bill 156; to the Committee on the Judiciary.

SENATE.

SATURDAY, *May 7, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our father's God, and on the eve of what is nationally known as Mothers' Day, we bless Thee as our mothers' God. We thank Thee for those hallowed influences which have been following us through the years, for those sacred moments we recall when we learned our first lessons of truth and duty at our mother's knee and learned, too, our first evening prayer, and lisped Thy name as she taught us. We pray for the mothers of our land. We pray for our homes, that out of those homes new inspiration shall go forth and give to us a larger patriotism and a greater sense of devotion to Thee and to the interests which bind us to Thee and to Thy throne. We ask in Jesus Christ's name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Wednesday, May 4, 1921, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

NATIONAL FOREST RESERVATION COMMISSION.

The VICE PRESIDENT. Pursuant to the provisions of the act approved March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," the Chair appoints the Senator from Tennessee, Mr. SHIELDS, as a member of the National Forest Reservation Commission to fill the vacancy occasioned by the resignation of the Senator from Rhode Island, Mr. GERRY.

PETITIONS AND MEMORIALS.

Mr. SHORTRIDGE. Mr. President, I beg leave to present Senate joint resolution No. 26 of the Legislature of the State of California relative to immigration and particularly oriental immigration. I ask that it be printed in the RECORD and referred to the Committee on Foreign Relations.

The joint resolution was referred to the Committee on Foreign Relations, as follows:

LEGISLATIVE DEPARTMENT, STATE OF CALIFORNIA,
FORTY-FOURTH SESSION,
Senate Chamber, April 27, 1921,

To the President of the United States, the honorable Secretary of State of the United States, and to each of California's Senators and Representatives in Congress:

Pursuant to the provisions of senate joint resolution No. 26, adopted by the Legislature of the State of California at the forty-fourth session, I am sending you herewith a copy thereof, reading as follows:

Chapter 36, senate joint resolution 26, relative to immigration.

Whereas the Japanese Exclusion League of California, representing officially such organizations as the American Legion, War Veterans, Native Sons and Native Daughters of the Golden West, State Federation of Women's Clubs, State Federation of Labor, and various other patriotic, civic, and fraternal bodies, have adopted a statement of policy recommended for adoption by the Government of the United States as urgently required in protection of the Nation's interest against the growing menace of Japanese immigration and colonization; and

Whereas said declaration of principles has been approved by the organizations affiliated with the league—the Los Angeles County Anti-Asiatic Association and the Japanese Exclusion League of Washington; and

Whereas said declaration of principles is in words and figures as follows, to wit:

First. Absolute exclusion for the future of all Japanese immigration not only male but female, and not only laborers, skilled and unskilled, but "farmers" and men of small trades and professions, as recommended by Theodore Roosevelt.

Permission for temporary residence only for tourists, students, artists, commercial men, teachers, etc.

Second. Such exclusion to be enforced by United States officials, under United States laws and regulations, as done with immigration, admitted or excluded, from all other countries; and not, as at present, under an arrangement whereby control and regulation is surrendered by us to Japan.

Third. Compliance on the part of all departments of the Federal Government with the Constitution, and the abandonment of the threat or attempt to take advantage of certain phrasing of that document as to treaties, which it is claimed gives the treaty-making power authority to violate plain provisions of the Constitution in the following matters:

(*a*) To nullify State rights and State laws for control of lands and other matters plainly within the State's jurisdiction.

(*b*) To grant American citizenship to races of yellow color, which are made ineligible for such citizenship.

Fourth. For the Japanese legally entitled to residence in California, fair treatment, protection in property rights legally acquired, and the privilege of engaging in any business desired, except such as may be now or hereafter denied by law to all aliens, or to aliens ineligible to citizenship; and provided particularly that they may not hereafter buy or lease agricultural lands: Now, therefore, be it